



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

triglav

www.triglav.eu
www.triglav.si

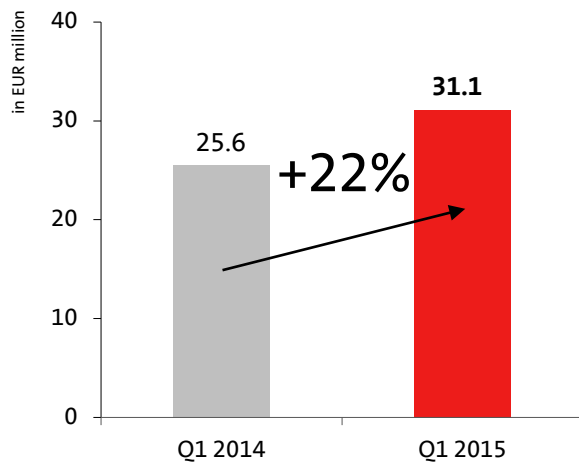
Unaudited Interim Report of Zavarovalnica Triglav d.d. and the Triglav Group for the period from 1 January 2015 to 31 March 2015



Ljubljana, May 2015

PERFORMANCE OF THE TRIGLAV GROUP IN THE FIRST QUARTER OF 2015

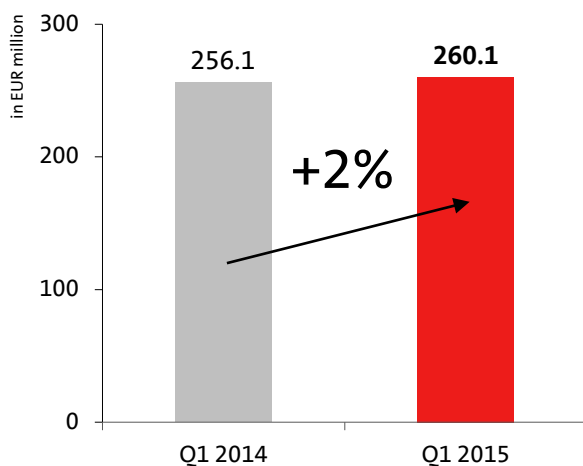
Net profit



Consistent implementation of strategic guidelines is reflected in higher profit.

For additional information see page 45.

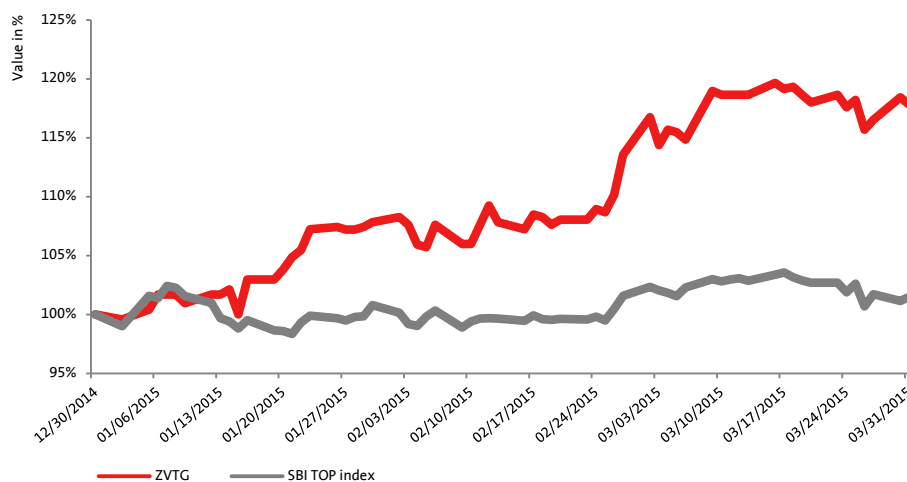
Gross written premium from insurance and co-insurance contracts



The growth of written premiums resulted from the acquisition of Skupna pokojninska družba and higher premium in most of the Group's insurance companies.

For additional information see page 19.

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



The ZVTG share price increased by almost 18%.

For additional information see page 14.



Dear shareholders, business partner and colleagues!

Despite some signs of economic recovery, the situation in most insurance markets of the Triglav Group did not improve, as the years of economic and financial crisis have led to changes in consumer purchasing behaviour, fewer policyholders and lower insurance density. The volume of written premium is also significantly affected by fierce competition among insurance companies. In contrast to the corresponding period of 2014, major loss events had no impact on the Group's performance in the first quarter of 2015. The Group's performance benefited from the positive impact of developments in capital markets, allowing for high return on financial investments, as well as from the acquisition of Skupna pokojninska družba.

Despite challenging conditions, the Triglav Group performed well in the first three months of 2015. The Group earned EUR 31.1 million in **net profit**, which represents a 22% growth compared to the respective period of 2014. Financial stability remained high, as confirmed by the credit rating agencies Standard & Poor's and A.M. Best, which both assigned the Group an »A« credit rating with a stable (S&P) or positive (A.M. Best) mid-term outlook.

The high level of financial stability is also reflected in a 9% increase of the **total equity capital** amounting to EUR 747.6 million and in the 15% increase of **insurance technical provisions** of EUR 2,675.6 million. Both indicators represent a guarantee and basis for balanced operations and long-term safety of policyholders.

The combined ratio of the Triglav Group – a measure of profitability in core insurance operations – reached 92.3% as at 31 March 2015. Compared to the respective period of 2014, the ratio has improved, i.e. decreased by 6.2 percentage points; however it should be borne in mind that the first quarter of 2014 was significantly affected by extraordinary loss events.

The Triglav Group recorded a 2% increase in **gross written premium**, mainly as a result of the newly acquired insurance company Skupna pokojninska družba and premium growth in most of the Group's insurance companies. In Slovenia, the written premium of Zavarovalnica Triglav was lower by 3%, whilst that of Triglav, Zdravstvena zavarovalnica remained at approximately the same level as the year before (index 100). The highest premium growth of 54% was recorded in the Serbian market, the premium in the Macedonian market grew by 9%, while the premiums in Montenegro and Croatia went up by 8% and 5% respectively. In Bosnia and Herzegovina, a 4% growth was recorded by the insurer in Sarajevo, whereas the Banja Luka insurance company recorded a 3% decrease in premium. The Czech subsidiary, currently under sale, recorded a 30% drop in premium.

Favourable conditions in capital markets and the acquisition of Skupna pokojninska družba contributed to the 35% increase in **return on financial investments** of the Triglav Group (EUR 45.1 million) compared to the same period of 2014.

In the reporting period, **Zavarovalnica Triglav's shares (ZVTG)** listed on the Ljubljana Stock Exchange Primary Market continued to increase in value. In the first quarter of 2015, the closing price of Zavarovalnica Triglav's shares increased by as much as 18% and equalled EUR 27.80 as at the reporting date. The average daily trading volume of ZVTG shares was EUR 190,481, which was 13% higher than the 2014 average and almost twice as high as the average in the first quarter of 2014.

In 2015, we expect conditions in the insurance markets where the Triglav Group operates to remain challenging and exceptional investment returns in capital markets will no longer be possible. In our core insurance business, we will continue to pursue our aggressive marketing approach and with increasingly client-oriented sales activities and an emphasis on the development and greater efficiency of the sales network.

In line with its strategic guidelines, Zavarovalnica Triglav as the parent company of the Triglav Group will continue with the prudent ownership consolidation of the subsidiaries within the Group. The Group also plans to further streamline asset management and will continue to disinvest from shareholdings in companies whose business is not in line 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.

The Group focuses its efforts on attaining its strategic goals, striving to maintain its leading role in the Slovene market and to consolidate its position in target markets of South-East Europe.

Andrej Slapar

President of the Management Board of Zavarovalnica Triglav



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1. FINANCIAL HIGHLIGHTS OF THE TRIGLAV GROUP IN THE FIRST QUARTER OF 2015

1.1 Performance of the Triglav Group

	in EUR million		
	Q1 2015	Q1 2014	Index 2015/2014
Gross written premium from insurance and co-insurance contracts	260.1	256.1	102
Net premium income	204.6	200.7	102
Gross claims paid	148.8	145.4	102
Net claims incurred	144.0	149.9	96
Gross operating costs*	54.1	53.1	102
Profit before tax	37.2	29.2	127
Net profit	31.1	25.6	122
Net profit attributable to the controlling company	30.9	25.4	122
	31 March 2015	31 December 2014	Index 2015/2014
Insurance technical provisions as at	2,675.6	2,333.7	115
Equity as at	747.6	688.1	109
Equity attributable to the controlling company as at	736.4	681.4	108
Number of employees as at	5,519	5,406	102

*Insurance business gross operating costs

Key performance indicators of the Triglav Group

	Q1 2015	Q1 2014
ROE annualised	18.8 %	17.9 %
Claims ratio	63.7 %	70.7 %
Expense ratio	28.7 %	27.9 %
Combined ratio	92.3 %	98.5 %
Ratio between gross operating costs and gross written premium	20.8 %	20.7 %

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

	in EUR million		
	Q1 2015	Q1 2014	Index 2015/2014
Gross written premium from insurance and co-insurance contracts	174.6	180.0	97
Net premium income	127.5	130.0	98
Gross claims paid	97.5	98.0	99
Net claims incurred	92.0	100.9	91
Gross operating costs	37.8	37.7	100
Profit before tax	25.5	22.5	113
Net profit	20.2	19.1	106
	31 March 2015	31 December 2014	Index 2015/2014
Insurance technical provisions as at	2,158.9	2,060.0	105
Equity as at	579.2	544.0	106
Number of employees as at	2,359	2,365	100

Key performance indicators of the Zavarovalnica Triglav

	Q1 2015	Q1 2014
ROE annualised	15.4 %	15.8 %
Claims ratio	60.5 %	71.3 %
Expense ratio	29.1 %	28.2 %
Combined ratio	89.6 %	99.5 %
Ratio between gross operating costs and gross written premium	21.6 %	20.9 %

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 seven 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 the Czech Republic, 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., Triglav Naložbe d.d., Triglav, 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 Naložbe d.d. ▪ 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 		
Czech Republic	<ul style="list-style-type: none"> ▪ Triglav Pojišť'ovna a.s., Brno 		

1.4 Composition and markets of the Triglav Group



The Triglav Group as at 31 March 2015:

Controlling družba:

- 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.
 - Triglav Pojišt'ovna a.s., Brno
 - 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 Osiguruvanje a.d., Skopje
- Skupna pokojninska družba d.d.
- Triglav Skladi, družba za upravljanje d.o.o.
 - PROF-IN d.o.o.
- Triglav Naložbe, finančna družba d.d.
 - Golf Arboretum d.o.o.
 - Salnal 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.
- 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.
- Pista 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.
- Elan Skupina (Skimar) d.o.o.
- IF Prof Plus

Changes in the Triglav Group in the first quarter of 2015:

- With the acquisition of a 36.51% equity stake in Skupna pokojninska družba d.d., Ljubljana, Zavarovalnica Triglav holds a majority shareholding in the said company. The acquisition took place on 9 January 2015. Skupna pokojninska družba is a provider of voluntary supplemental pension insurance in accordance with the Pension and Disability Insurance Act. By acquiring a new subsidiary, the Triglav Group has become one of the leading pension insurance providers in Slovenia, thereby strengthening its presence in the pension insurance market in line with its strategic objectives. The purpose of the acquisition of a majority stake in this company was to gain synergy effects through cost rationalisation, joint development of products and services, and the transfer of financial investment management to the parent company. After the acquisition date, Zavarovalnica Triglav acquired a 4.9% equity stake from non-controlling interest holders. As at the reporting date, Zavarovalnica Triglav was a 71.56% owner of the company. Gradual acquisition is discussed in greater detail in *Section 2.8* of the Accounting Report.
- By paying in EUR 1,000,000, Zavarovalnica Triglav increased the share capital of Triglav INT d.d. and thus remaining a 100% owner of the company. The capital was increased through the issue of 1,000,000 new shares with a nominal value of EUR 1.
- 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. As at the reporting date, the equity stake of the parent company increased by 14.32 percentage points and reached 71.27%, whilst the Group's stake went up by 4.77 percentage points to 90.43%.
- 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, Avrigo 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.

1.5 Significant events in the reporting period

Significant events in the reporting period were the following:

- At its session, held on 3 March 2015, the Supervisory Board of Zavarovalnica Triglav approved a share capital increase in its subsidiary Triglav INT d.d. with two in-kind contributions totalling EUR 23.1 million. The capital increase will be financed through a debt to equity swap transaction by the parent company and an equity stake in subsidiary Pista d.o.o. The reason for this decision is to optimise the management of indirect subsidiaries of the Triglav Group and direct subsidiaries of Triglav INT d.d., in which the latter plays the key role. This capital increase and raising of staffing levels will help improve the business model of Triglav INT d.d., which will enable the company to better fulfil its function within the Triglav Group.
- 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 will be increased with in-kind contribution, i.e. a debt to equity swap amounting to EUR 2.4 million arising from loans.

- In October 2014, the Management Board of Zavarovalnica Triglav adopted a decision to merge Triglav Naložbe d.d. to the parent company on the reporting date (31 December 2014). The merger will take place by 30 September 2015 at the latest.
- Triglav, Upravljanje nepremičnin d.d., a subsidiary of Zavarovalnica Triglav d.d., 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 put up for sale to other potential buyers.

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.

2.3 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 31 March 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

Composition of the Supervisory Board as at 31 March 2015:

- Shareholder representatives:
 - Matej Runjak, Chairman,
 - Gregor Kastelic, Vice Chairman,
 - Rajko Stanković, Member,
 - Mario Gobbo, Member,
 - Dubravko Štimac, Member,
 - Matija Blažič, Member,
- Employee representatives:
 - Branko Gorjan, Member,
 - Peter Celar, Member,
 - Miran Krštinc, Member.

3. THE SHARE AND SHAREHOLDERS ZAVAROVALNICE TRIGLAV

3.1 Equity

As at 31 March 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	31 March 2015	31 December 2014
Number of shares	22,735,148	22,735,148
Book value per share* (in EUR)	25.48	23.93
Net earnings per share** (in EUR)	0.89	2.01
Share market value (in EUR) - closing price	27.80	23.60
Market capitalisation (in EUR) - closing price	632,037,114	536,549,493
Traded on	Ljubljana Stock Exchange - LJSE	
Ticker symbol	ZVTG	
ISIN	SI0021111651	
Credit rating	<ul style="list-style-type: none">Standard & Poor's; »A-«, stable 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.

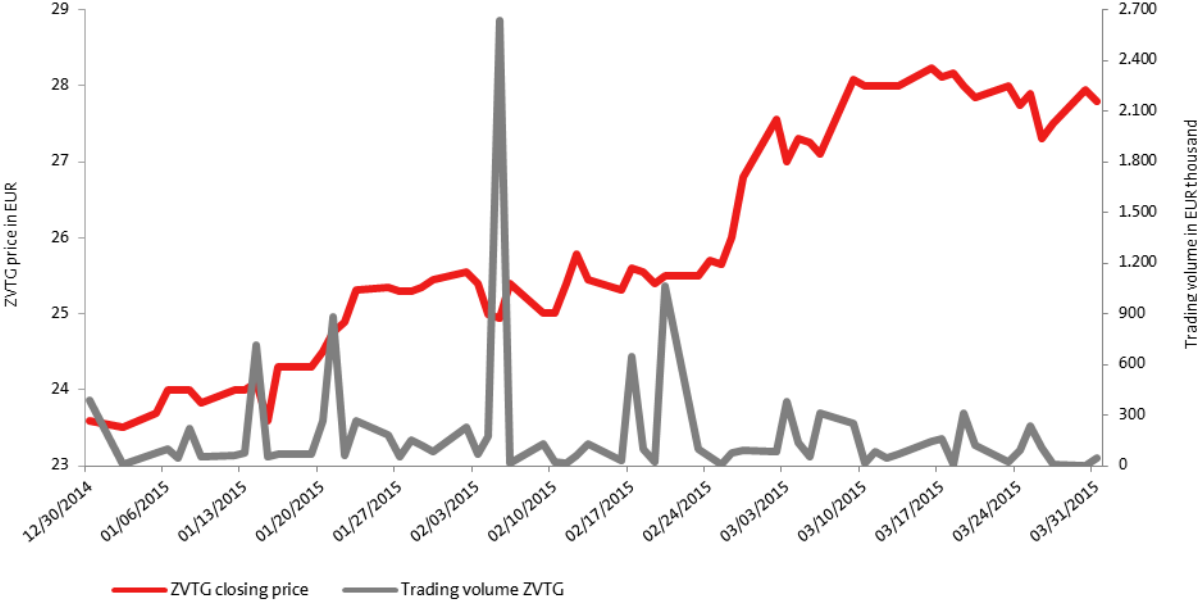
3.2.1 Trading on the Ljubljana Stock Exchange – LJSE

The first quarter of 2015 saw a growing price and high liquidity of the ZVTG share. From 31 December 2014, the price of Zavarovalnica Triglav's share went up by almost 18%, i.e. from the starting price of EUR 23.60 to its highest value of EUR 28.24 as at 16 March 2015. As at the reporting date, the closing price reached EUR 27.80.

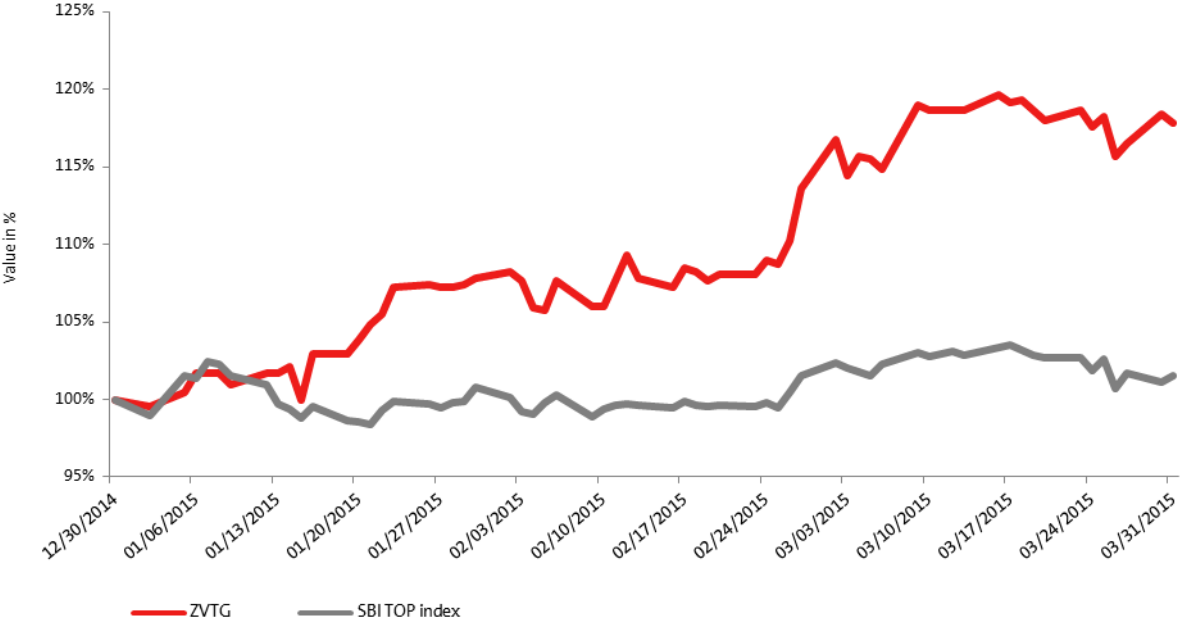
The ZVTG share was the second most traded share on the Ljubljana Stock Exchange, accounting for over 16% of total trading volume. The average turnover of ZVTG shares per trading day was

EUR 190,481, which was 13% more compared to the 2014 average (EUR 168,611) and almost twice as higher as the Q1 2014 average (EUR 95,937).

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 Q1 2015 as compared to 31 December 2014



3.2.2 Shareholder structure

As at 31 March 2015, Zavarovalnica Triglav had 28,324 shareholders, 202 shareholders or 1% less compared to the 2014 year-end.

With 98.3%, the shareholder structure of Zavarovalnica Triglav was dominated by domestic shareholders. As at the reporting date, international shareholders accounted for only 1.7% of the total number of shareholders. They increased their shareholdings by 0.3 percentage point to 17.8%.

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 continued to account for the bulk with 27,672 shareholders or 97.7% of all shareholders, but holding less than 9% of all shares of Zavarovalnica Triglav.

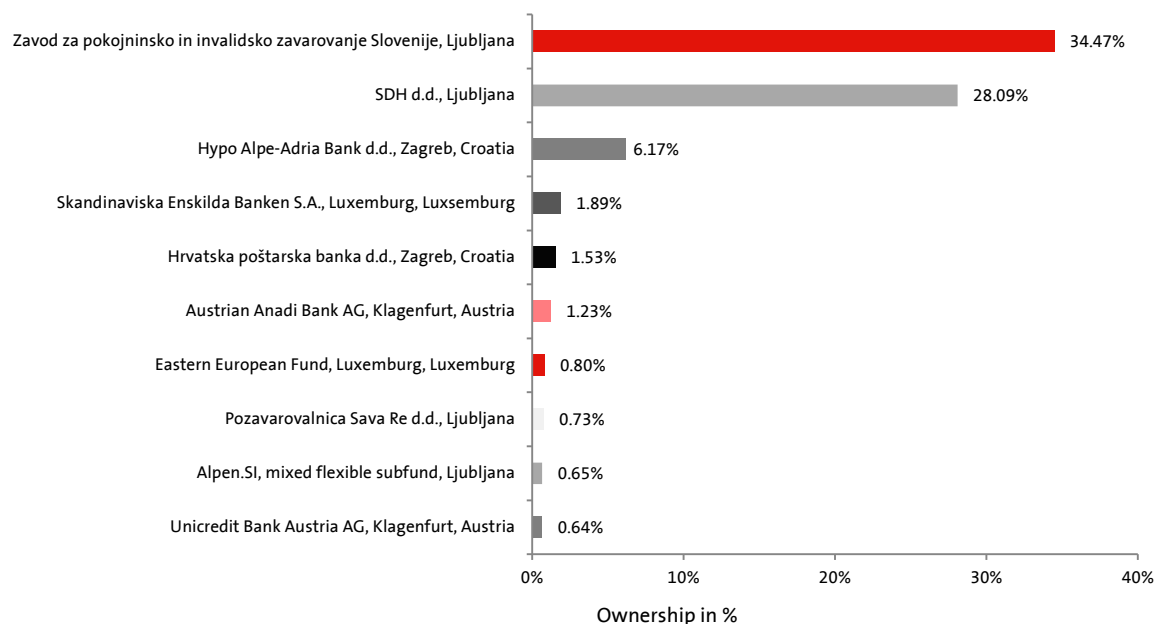
Table: Shareholder structure of Zavarovalnica Triglav as at 31 March 2015

	Total	Domestic	Foreign	Legal entities	Natural persons
Number of shares	22,735,148	18,679,057	4,056,091	20,726,568	2,008,580
Number of shareholders	28,324	27,839	485	652	27,672
Number of shares - percentage	100.00%	82.16%	17.84%	91.17%	8.83%
Number of shareholders - percentage	100.00%	98.29%	1.71%	2.30%	97.70%

The total number of shares held by the Management and Supervisory Boards equalled 1,684 as at the reporting date and remained unchanged compared to 31 December 2014.

Ownership concentration measured by equity stakes of the top ten shareholders declined by 0.7 percentage point. As at the end of reporting period, ten companies held 76.2% of shares of Zavarovalnica Triglav. In Q1 2015, there were no changes among the largest shareholders, only Eastern European Fund, Luxembourg and Austrian Anadi Bank, Klagenfurt changed places. The largest and unchanged equity stake was maintained by ZPIZ and SDH d.d. Minor changes in the stakes were recorded in three shareholders: Hypo Alpe-Adria Bank slightly increased its equity stake, whereas Eastern European Fund, Luxembourg and Skandinaviska Enskilda Banken, Luxembourg slightly reduced their equity stakes.

Graph: Top ten shareholders of Zavarovalnica Triglav as at 31 March 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 2014, 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. Both credit ratings have a stable medium-term outlook. According to S&P, the Triglav Group will continue to maintain its strong competitive position in the market, solid capital adequacy, balanced investment portfolio and high profitability. As at the 2014 year-end, the credit ratings and the outlook of the Triglav Group, i.e. Zavarovalnica Triglav and Pozavarovalnica Triglav Re, and the Republic of Slovenia were the same. Based on the stress tests carried out by the credit rating agency, Zavarovalnica Triglav can be rated a maximum of one notch above the sovereign rating on Slovenia.

Following its regular revision in 2014, 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. Both credit ratings reflect solid risk-adjusted capitalisation, good business results and a dominant competitive position in the Slovene market. A.M. Best revised the Company's medium-term outlook from »stable« to »positive«. Despite challenging conditions on the Slovene insurance market, the credit rating agency improved Triglav's outlook based on its continued solid performance. The Triglav Group continues to strengthen its highly renowned brand across South-East Europe and carry out the planned activities towards further growth. Moreover, the A.M. Best reaffirmed both the financial strength and the issuer credit ratings of the 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.

4. PERFORMANCE IN THE PERIOD FROM 1 JANUARY TO 31 MARCH 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 Group operates have not improved. 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 profit level was also affected by an extraordinary loss event. In February, wind storms in Western Slovenia caused around EUR 2 million of damage. By the end of the first quarter, EUR 0.7 million was paid in claims. No major loss events were recorded in the Group's insurance subsidiaries.

The Group's business results were influenced by both the situation on capital markets and the acquisition of Skupna pokojninska družba, resulting in high investment returns.

With consistent implementation of its business policy measures and an adequate portfolio management investment policy, the Triglav Group ended the first quarter of 2015 with a net profit of EUR 31.1 million (index 122), while Zavarovalnica Triglav generated a profit of EUR 20.2 million EUR (index 106).

4.2 The insurance market and the position of the Group members in the first quarter 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 three months of 2015, they recorded together gross written premium of EUR 546.8 million, which was 1.5% less than in the same period of 2014.

Traditional insurance companies (17) booked a total of EUR 545.7 million in premiums, of which 75.2% stemmed from non-life insurance and the remainder from life insurance. Life insurance premium decreased by 0.6%, while non-life insurance premium recorded a larger decrease of 1.9%.

The Slovene insurance market is characterised by a high degree of concentration. The four major insurers controlled 73.9% of the traditional insurance market (2014: 73.7%). **Zavarovalnica Triglav** remained the market leader by holding a 32.0% market share, which decreased by 0.4 percentage point over 2014. The second largest market share was held by Adriatic Slovenica, a company 2.2 times smaller in terms of written premium. As at the reporting date, **Zavarovalnica Triglav and Triglav, Zdravstvena zavarovalnica** had a **combined** market share of 37.1%, which was 0.4 percentage points less than in 2014.

The Triglav Group maintained the leading position in the Slovene insurance market by holding a 37.1% market share.

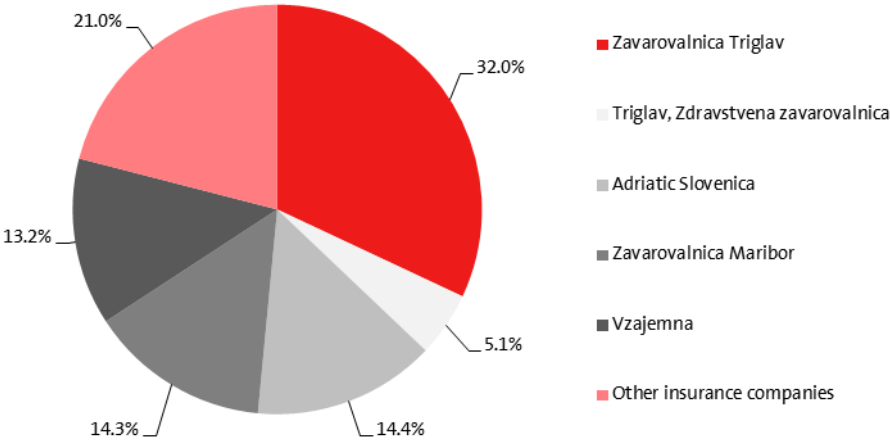
The Company held 31.5% of the non-life insurance market, which was 1.1 percentage points less compared to the previous year. Zavarovalnica Triglav increased its life insurance market

share to 33.6%, which was 1.6 percentage points more compared to the corresponding period of 2014.

A 1.8% 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 22.3% (Q1 2014: 21.9%).

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 31 March 2015



Source: Slovenian Insurance Association

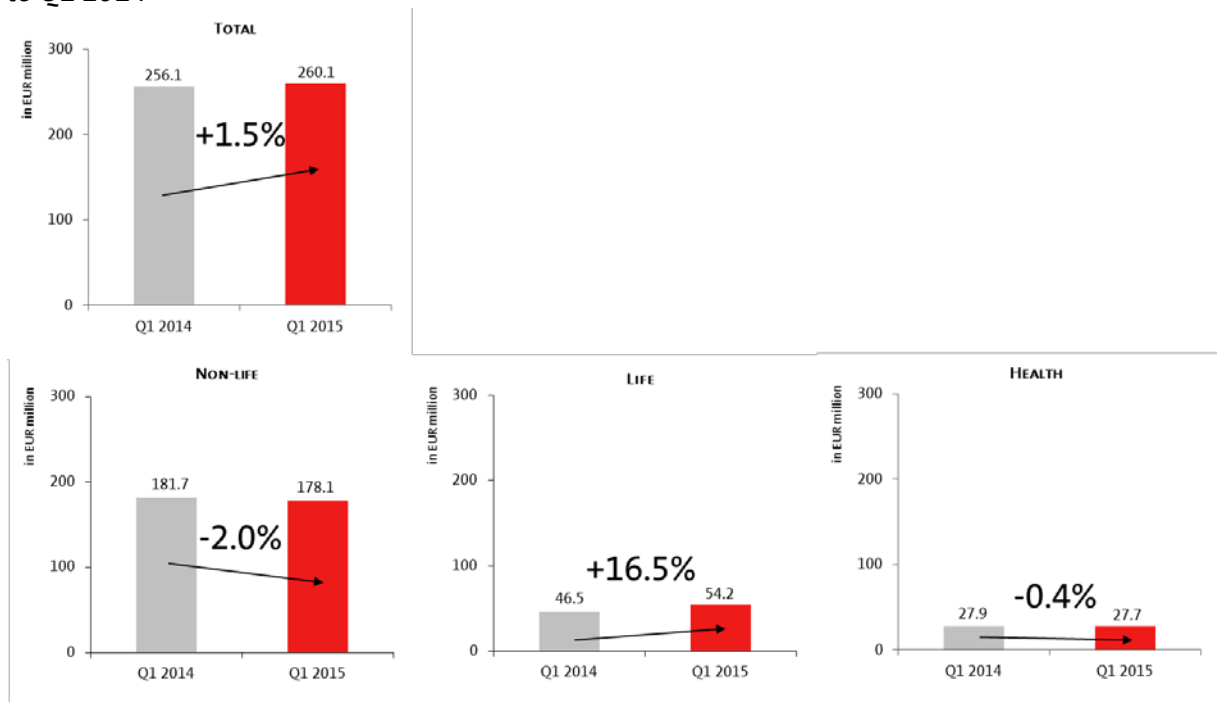
4.3 Performance of the Triglav Group

4.3.1 Gross written premiums from insurance and co-insurance contracts

In the reporting period, the Triglav Group posted a total of EUR 260.1 million in consolidated gross insurance and co-insurance premium or 2% more than in the respective period of 2014. **Non-life insurance** total was EUR 178.1 million (index 98), **life insurance** reached EUR 54.2 million (index 116) and **health insurance** EUR 27.7 million (index 100).

In Q1 2015, the Triglav Group booked EUR 260.1 million in gross insurance and co-insurance premium, 2% more than in the respective period of 2014.

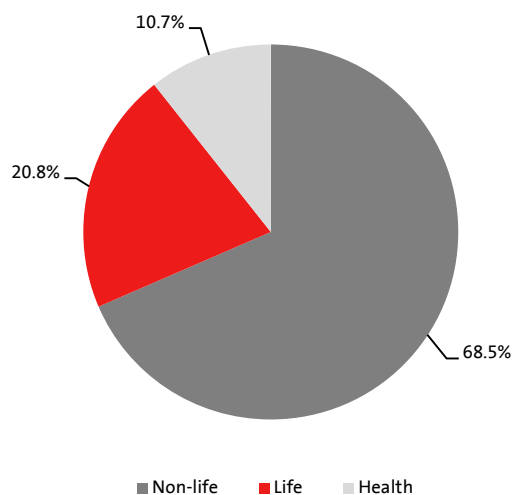
Graph: Gross written premium from insurance and co-insurance contracts in Q1 2015 compared to Q1 2014



Consolidated written premium had the following structure:

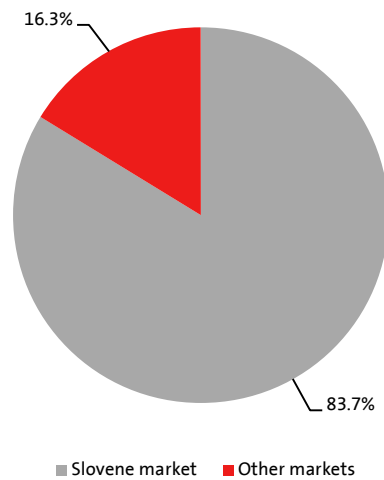
- non-life insurance accounted for 68.5% (Q1 2014: 71.0%);
- life insurance accounted for 20.8% (Q1 2014: 18.2%) and
- health insurance for 10.7% (Q1 2014: 10.9%).

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



A total of 83.7% of consolidated gross written premium was charged in the Slovene insurance market, representing a 0.5 percentage point decrease compared to Q1 2014.

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



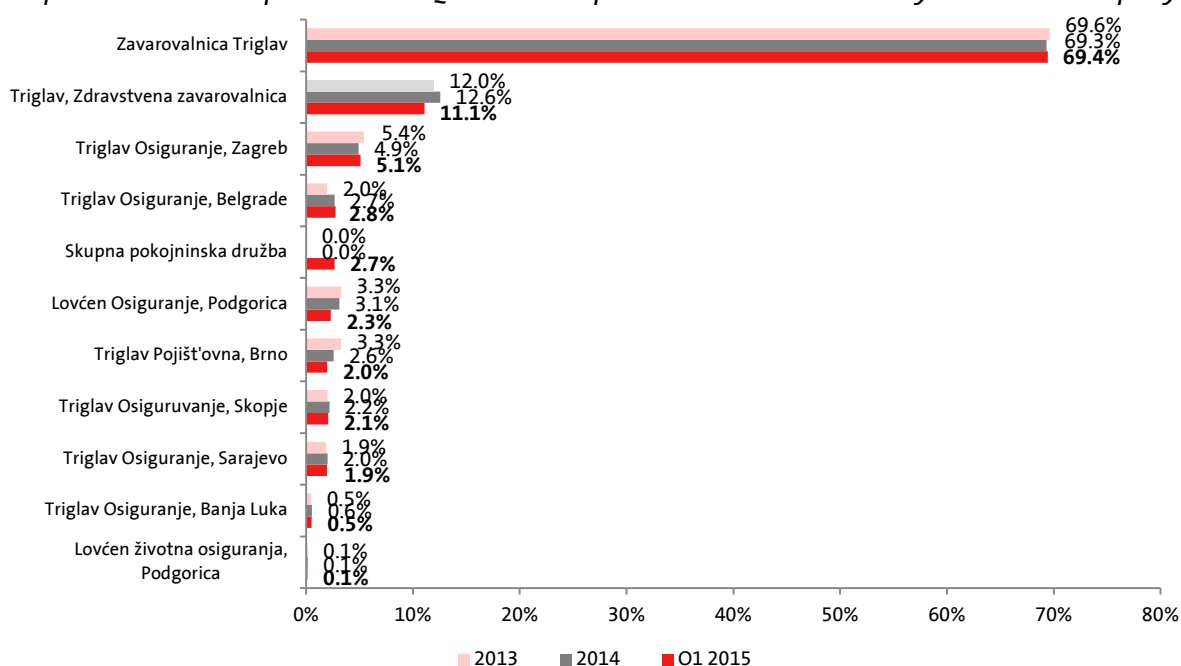
The Triglav Group insurance companies (excluding Pozavarovalnica Triglav Re) booked EUR 251.5 million in non-consolidated gross insurance and co-insurance premiums, which was 1% more than in the same period last year. Trends varied depending on subsidiary and market. In Slovenia, written premium of Zavarovalnica Triglav was lower by 3%, whilst that of Triglav, Zdravstvena zavarovalnica remained at approximately the same level as in the previous year (index 100). Skupna pokojninska družba, a new insurance subsidiary of the Triglav Group, charged a total of EUR 6.7 million in premium written. Triglav Osiguranje, Belgrade recorded a high 54% increase in premium. Written premiums were higher in Triglav Osiguruvanje, Skopje (9%), Lovćen Osiguranje and Lovćen životna osiguranja (8%), Triglav Osiguranje, Zagreb (5%) and Triglav Osiguranje, Sarajevo (4%). Lower premium was recorded in Triglav Pojišt'ovna and Triglav Osiguranje, Banja Luka by 30% and by 3% respectively.

Pozavarovalnica Triglav Re booked a total of EUR 41.3 million in gross reinsurance premium or 13% more than in the respective period of 2014. Premium from optional business with the Triglav Group was higher by 13%, whilst reinsurance premium earned outside the Triglav Group went up by 14%. The highest growth in Pozavarovalnica Triglav Re was seen in other damage to property insurance, accident insurance and land motor vehicle insurance.

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

Insurance company	Gross written premium			Index			Structure
	Non-life	Life	Total	Non-life	Life	Total	Q1 2015
Zavarovalnica Triglav	129,276,950	45,350,487	174,627,437	95	104	97	69.4%
Triglav, Zdravstvena zavarovalnica	27,875,956		27,875,956	100	0	100	11.1%
Skupna pokojninska družba		6,690,649	6,690,649	0	0	0	2.7%
Triglav Osiguranje, Zagreb	10,858,651	1,950,173	12,808,824	107	96	105	5.1%
Triglav Osiguranje, Sarajevo	3,846,395	1,025,815	4,872,210	96	145	104	1.9%
Triglav Pojišt'ovna, Brno	5,015,566		5,015,566	70	0	70	2.0%
Lovćen Osiguranje, Podgorica	5,844,588		5,844,588	108	0	108	2.3%
Triglav Osiguranje, Belgrade	6,778,148	152,387	6,930,535	156	105	154	2.8%
Triglav Osiguranje, Banja Luka	1,318,240		1,318,240	97	0	97	0.5%
Triglav Osiguruvanje, Skopje	5,208,002		5,208,002	109	0	109	2.1%
Lovćen životna osiguranja, Podgorica		299,871	299,871	0	108	108	0.1%
Total	196,022,496	55,469,382	251,491,878	97	119	101	100.0%
Pozavarovalnica Triglav Re	41,337,677		41,337,677	113	0	113	
Consolidation eliminations	-31,477,644	-1,257,237	-32,734,881	111	1,080	115	
Total consolidated	205,882,529	54,212,145	260,094,674	98	116	102	

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



4.3.1.1 Non-life insurance

In total, Triglav Group insurance companies charged EUR 196.0 million of non-consolidated insurance and co-insurance premium from non-life insurance contracts, which represented a 3% decrease compared to the same period of 2014.

Motor vehicle insurance remained the largest insurance class, accounting for 30.2% of total written premium. In comprehensive car insurance, insurance companies of the Group collected EUR 33.5 million in written premium, or 3% less compared to the same period in 2014. Premium growth was recorded by most insurance companies, the

Motor vehicle insurance remained the most important segment, accounting for 30.2% of total premium earned.

largest by Triglav Osiguranje, Banja Luka (index 128) and Triglav Osiguranje, Belgrade (index 127). Zavarovalnica Triglav, accounting for 87% of the Group's total premium, saw a 3% decrease in written premium. A decrease in written premium was observed in Triglav Pojišt'ovna (index 54), whereas the written premium of Triglav Osiguruvanje, Skopje remained at the 2014 level (index 100). The Group collected EUR 42.5 million in motor liability insurance premium, which was 2% less than in Q1 2014. A decrease in premium was seen in the parent company (index 96), whose share in total premium from motor vehicle liability insurance represented 63%, in Triglav Pojišt'ovna (index 73) and Triglav Osiguranje, Zagreb (index 95). Other insurance subsidiaries recorded growth in premium; the highest (60%) was recorded 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 (in 2014 this insurance market was liberalised), because the premium of the Group's Croatian insurance subsidiary fell despite an 18% increase in the number of concluded policies. In Triglav Pojišt'ovna, lower premium was a consequence of tighter underwriting conditions and changes in the pricing policy.

In the **real property insurance** class (fire and natural disaster insurance and other damage to property insurance), the premium of EUR 52.6 million was booked, representing a 5% decrease compared to the previous year. In fire and natural disaster insurance, a premium drop of 4% was recorded, while other damage to property insurance experienced a 6% premium decrease. The strongest increase in written premium was observed in Triglav Osiguranje, Belgrade (index 175), Lovćen Osiguranje (index 131), Triglav Osiguruvanje, Skopje (index 125), and Triglav Osiguranje, Zagreb (index 118) as a result of attracting new policyholders. A decrease in premium was seen in the parent company (index 91), whose share in total premium from real property insurance was 80%, Triglav Pojišt'ovna (index 87), Triglav Osiguranje, Sarajevo (index 80) and Triglav Osiguranje, Banja Luka (index 87). The reasons for the drop in premium of Zavarovalnica Triglav are discussed in greater detail in *Section 4.4.1*. In Triglav Osiguranje, Sarajevo, the main reasons for the decrease were the non-renewal of insurance policies, a reduced scope of insurance coverage of some large policyholders and a lower premium of fronting (the renewal of these insurance contracts is planned in the next period). Less premium in Triglav Osiguranje, Banja Luka was generated due to the non-renewal of insurance contracts of two large policyholders.

Health insurance premium remained at approximately the same level as the year before (index 100) and totalled EUR 28.0 million. Triglav, Zdravstvena zavarovalnica generated the largest portion of the premium amounting to EUR 27.9 million (index 100). The increase in written premium was seen in Triglav Osiguranje, Belgrade and Lovćen Osiguranje, whereas premium decrease was recorded by Triglav Osiguranje, Zagreb.

In **general liability insurance**, the Triglav Group recorded EUR 14.1 million, having decreased by 1% compared to the respective period of 2014, which represented 5.6% of total premium. Zavarovalnica Triglav, accounting for 83% of total premium, saw a 4% decline in written premium compared to the preceding year. The decrease resulted from lower premium in the largest insurance subclass of this insurance class, i.e. general liability insurance (index 96) and premium decrease in professional liability insurance (non-renewal of insurance policy of a major policyholder). A drop in premium was posted by Triglav Osiguranje, Banja Luka and Triglav Pojišt'ovna. The main reason for this decline was the non-renewal of insurance policies and a reduced scope of insurance coverage of some large policyholders. Other insurance

companies achieved premium growth by increasing the scope of insurance coverage and attracting new policyholders.

Accident insurance represented 4.5% of total written premium or EUR 11.3 million in nominal terms, having decreased by 3% compared to the previous year. A decrease in premium was posted by Zavarovalnica Triglav, Triglav Osiguranje, Zagreb, Triglav Osiguranje, Sarajevo and Triglav Pojišt'ovna, whose combined share in total premium from accident insurance represented 77%. Other insurance subsidiaries of the Group recorded premium growth, the highest in Triglav Osiguranje, Belgrade (index 155). The drop in accident insurance premium was also a result of the situation in the motor vehicle insurance market, as almost a half of premium in this insurance group arises from two insurance sub-classes taken out simultaneously with car insurance (driver's bodily injury insurance or AO-plus insurance and driver and passenger accident insurance). A decrease in accident insurance premium was the consequence of an increasing number of corporate bankruptcies and reduced operating expenses of companies. Premium drop was experienced by Triglav Osiguranje, Sarajevo, owing mostly to the non-renewal of insurance policies and fierce competition among insurers (failure to observe tariff rates, mainly in public tenders).

Credit insurance totalled EUR 5.4 million and accounted for 2.2% of total premium, which was 6% higher than the year before. Zavarovalnica Triglav (accounting for 99.6% of total premium) recorded a 6% growth in written premium. The parent company achieved good sales results in most insurance subclasses, primarily in financial gap insurance, insurance in the event of unemployment, disability and death, and export credit 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 premium increased by 3%.

A premium growth of 6% was achieved in credit insurance.

Premium from **other non-life insurance** (accounting for 3.4% of total premium) decreased by 6% to EUR 8.6 million. A drop in premium was recorded by most insurance subsidiaries, the largest by Triglav Osiguranje, Sarajevo, Triglav Osiguranje, Skopje and Zavarovalnica Triglav. In Triglav Osiguranje, Sarajevo, the main reason for the drop in premium was the non-renewal of miscellaneous financial loss insurance contract (fronting) of a major policyholder; however the renewal is expected in the coming months. Less premium in Triglav Osiguranje, Skopje was generated due to a reduced scope of miscellaneous financial loss insurance coverage of a major policyholder. Zavarovalnica Triglav, accounting for 72% of total premium, saw a 6% decline in written premium compared to the preceding year (for more information see *Section 4.4.1*). Triglav Osiguranje, Belgrade recorded high growth in premium (index 142). Among insurance sub-classes, high premium growth was seen in aircraft insurance, aircraft liability insurance, assistance insurance, goods in transit insurance and suretyship insurance.

4.3.1.2 Life insurance

In total, the Triglav Group insurance subsidiaries charged EUR 55.5 million in non-consolidated gross written premium from **life insurance** contracts or 19% more than in the first three months of 2014. This accounted for 22.1% of total gross written premium, which was 3.3 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.

Premium from **life insurance** (traditional life, pension, annuity pension, voluntary pension and tontine) amounted to EUR 25.3 million or 45.6% 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 recorded in Triglav Osiguranje, Sarajevo, achieved as a result of good sales via agencies and banking sales channels. An increase in premium was also recorded by the parent company and Triglav Osiguranje, Zagreb.

The premium generated by **unit-linked life insurance** totalled EUR 20.2 million or 36.4% of total gross written premium in the life insurance class. The premium was 6% higher than in the previous year. Unit-linked life insurance policies are available from Zavarovalnica Triglav and Triglav Osiguranje, Zagreb which booked EUR 19.5 million (index 107) and EUR 703 thousand (index 89) 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 guaranteed return fund.

Supplemental voluntary pension insurance (capital redemption insurance) generated EUR 10.0 million or 18.0% of total life insurance premium. Compared to the respective period of 2014 premium increased by 199%. Supplemental voluntary pension insurance is sold by Skupna pokojninska družba and Zavarovalnica Triglav (index 99).

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 2015	Q1 2014	Q1 2015/ Q1 2014	Q1 2015
Accident insurance	11,348,667	11,674,270	97	4.5%
Health insurance	28,016,761	28,031,647	100	11.1%
Comprehensive car insurance	33,468,267	34,613,038	97	13.3%
Real property insurance	52,642,384	55,298,049	95	20.9%
Motor liability insurance	42,466,741	43,551,993	98	16.9%
General liability insurance	14,081,078	14,203,765	99	5.6%
Credit insurance	5,411,576	5,127,147	106	2.2%
Other non-life insurance	8,587,021	9,119,836	94	3.4%
Non-life insurance	196,022,495	201,619,745	97	77.9%
Life insurance	25,276,794	24,250,730	104	10.1%
Unit-linked life insurance	20,216,834	19,066,695	106	8.0%
Capital redemption insurance	9,975,755	3,334,248	299	4.0%
Life insurance	55,469,383	46,651,673	119	22.1%
Total	251,491,878	248,271,418	101	100.0%

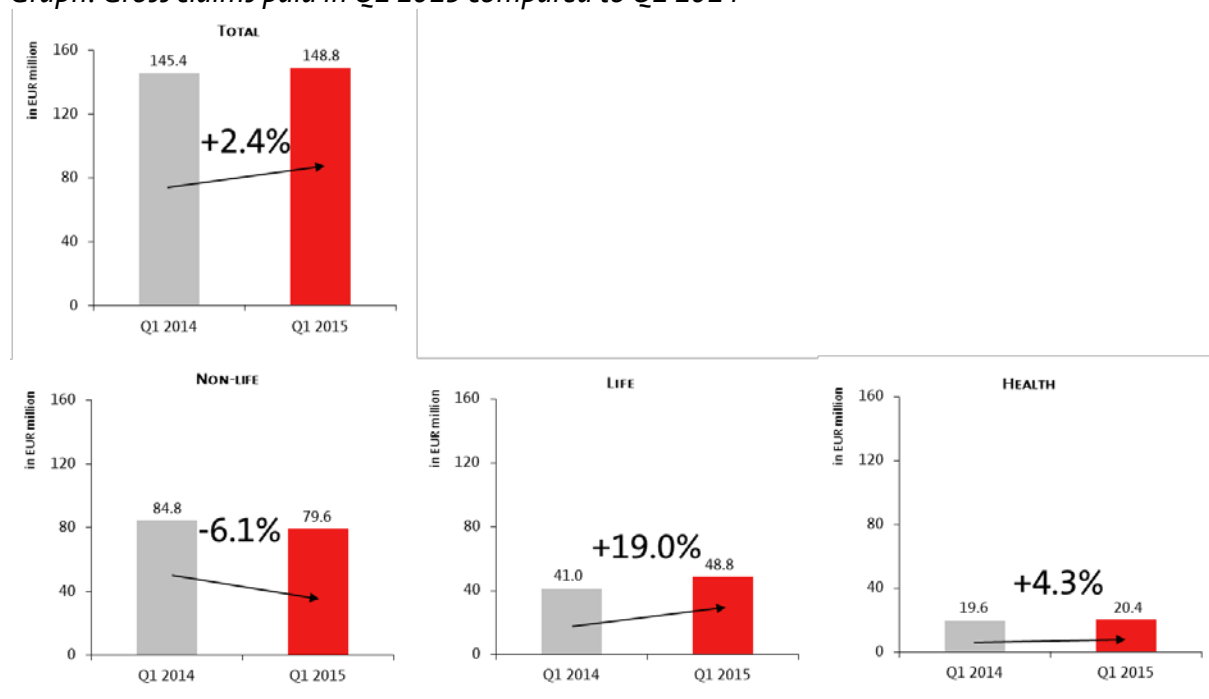
Note: The insurance companies' data already include the pre-consolidation adjustments.

4.3.2 Gross claims paid

In Q1 2015, the Triglav Group posted a total of EUR 148.8 million in consolidated gross claims (including claim handling costs and income from subrogated receivables), or 2% more than in the same period of the previous year. Gross claims paid in **non-life insurance** came to EUR 79.6 million (index 94), in the life-insurance segment they amounted to EUR 48.8 million (index 119) and in **health insurance** they totalled EUR 20.4 million (index 104).

Gross claims paid increased by 2% compared to 2014.

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



Excluding Pozavarovalnica Triglav Re, the insurance subsidiaries of the Triglav Group posted EUR 143.5 million in non-consolidated gross claims, representing an increase of 2% over the preceding year. Growth rates in gross claims paid were observed in Triglav Osiguranje, Sarajevo (index 181), Triglav Osiguranje, Belgrade (index 116), Triglav Osiguruvanje, Skopje (index 110) and Triglav, Zdravstvena zavarovalnica (index 104). A decrease in gross claims paid was recorded by Triglav Osiguranje, Banja Luka (index 55), Triglav Pojišt'ovna, Brno and Lovćen životna osiguranja (index 80), Triglav Osiguranje, Zagreb and Lovćen Osiguranje (index 81), and Zavarovalnica Triglav (index 99). Skupna pokojninska družba posted EUR 4.6 million in claims.

Gross claims paid from reinsurance contracts by Pozavarovalnica Triglav Re totalled EUR 11.8 million, or 6% less compared to the previous year. This decrease was primarily a result of a decline in operations within the Triglav Group (index 80) due to a decrease in motor vehicle liability insurance and marine insurance. Gross claims paid in business outside the Triglav Group climbed by 10% which was primarily a result of higher claims from other damage to property insurance.

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

Insurance company	Gross claims paid			Index			Structure
	Non-life	Life	Total	Non-life	Life	Total	Q1 2015
Zavarovalnica Triglav	54,146,608	43,304,327	97,450,935	92	110	99	67.9%
Triglav, Zdravstvena zavarovalnica	20,417,147		20,417,147	104	0	104	14.2%
Skupna pokojninska družba		4,580,716	4,580,716	0	0	0	3.2%
Triglav Osiguranje, Zagreb	4,602,089	1,090,841	5,692,930	77	101	81	4.0%
Triglav Osiguranje, Sarajevo	2,458,644	657,518	3,116,162	164	292	181	2.2%
Triglav Pojišt'ovna, Brno	3,417,535		3,417,535	80	0	80	2.4%
Lovćen Osiguranje, Podgorica	3,381,121		3,381,121	81	0	81	2.4%
Triglav Osiguranje, Belgrade	2,494,421	54,450	2,548,871	118	57	116	1.8%
Triglav Osiguranje, Banja Luka	424,944		424,944	55	0	55	0.3%
Triglav Osiguruvanje, Skopje	2,253,193		2,253,193	110	0	110	1.6%
Lovćen životna osiguranja, Podgorica		204,212	204,212	0	80	80	0.1%
Total	93,595,702	49,892,064	143,487,766	94	122	102	100.0%
Pozavarovalnica Triglav Re	11,795,018		11,795,018	94	0	94	
Consolidation eliminations	-5,358,551	-1,097,859	-6,456,410	74	609,922	89	
Total - consolidated	100,032,169	48,794,205	148,826,374	96	119	102	

Note: 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 93.6 million, which was 6% less than in the corresponding period of 2014.

Claims related to **motor liability insurance** represented 14.3% of total gross claims settled by the insurance companies of the Triglav Group. Total claims paid amounted to EUR 20.5 million, which was 9% less than in the same period of 2014. In this insurance class, the majority of the Triglav Group insurance subsidiaries posted a decrease in gross claims paid mainly due to a lower number of reported claims. In Zavarovalnica Triglav, which accounted for 62% of the total, gross claims settled experienced a 10% decrease. Growth in gross claims by Triglav Osiguranje, Zagreb, Triglav Osiguranje, Belgrade and Triglav Osiguruvanje, Skopje resulted from a higher number of reported claims due to a larger portfolio.

A 6% decrease in gross claims paid was recorded in the **comprehensive car insurance** class. Gross claims paid amounted to EUR 20.5 million, which was 14.3% of all claims settled. In the parent company, which accounted for 84% of the total, gross claims settled in this insurance class experienced a 6% decrease. The decline in gross written claims was also recorded by Triglav Osiguranje, Zagreb, Triglav Osiguranje, Sarajevo and Triglav Pojišt'ovna. Other insurance companies recorded an increase in gross claims paid due to a higher number of reported claims.

In **health insurance**, gross claims increased by 4% to EUR 20.5 million, accounting for 14.3% of total gross claims. The increase was mainly the result of insurance portfolio growth in Triglav, Zdravstvena zavarovalnica. Equalisation scheme expenses totalled EUR 1.6 million, which was 16% less than in the same period last year (a decrease of EUR 311 thousand).

In **real property insurance**, total claims paid amounted to EUR 18.5 million or 10% less than the year before, accounting for 12.9% of total gross claims paid. In fire and natural disaster insurance, a 19% decrease in gross claims was achieved, along with a 3% 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, Zagreb, mostly due to substantial individual claims paid in the respective period of 2014. High growth was recorded only by Triglav Osiguranje, Sarajevo due to the payment of two large

claims resulting from previous year's floods. Zavarovalnica Triglav, holding almost a 78% share in this insurance class, experienced an 8% decline in claims (in 2014 high claims resulted from the damage caused by glaze and a large payment of the claim related to combined property insurance).

Claims from **accident insurance** increased by 4%, amounting to EUR 5.8 million, mostly due to higher claims paid by Triglav Osiguranje, Belgrade, Triglav Osiguruvanje, Skopje and the parent company. A high growth in Triglav Osiguranje, Belgrade was mostly the result of high claims paid arising from accident insurance for pensioners, while those in Triglav Osiguruvanje, Skopje resulted from increased gross claims paid in accidental death and collective insurance for managers. A high growth in gross claims paid by Zavarovalnica Triglav (representing a 58% share of the Group's total claims from accident insurance) came primarily from two insurance subclasses taken out simultaneously with car insurance (the driver's bodily injury insurance or AO-plus insurance and driver and passenger accident insurance) and higher gross claims paid in the largest subclass, group accident insurance.

The volume of gross claims paid in **general liability insurance** was higher by 16%. This growth was affected by a high increase in gross claims paid in Triglav Osiguranje, Zagreb, Triglav Osiguranje, Sarajevo and the parent company, which together accounted for 83% of claims in this insurance class. Growth in claims was a result of an increased number of reported claims posted by Triglav Osiguranje, Zagreb and Triglav Osiguranje, Sarajevo. The main reason for a high growth in gross claims paid by Zavarovalnica Triglav was the payment of six large individual claims in the largest insurance subclass – general liability insurance. A high decrease in claims was recorded by Lovćen Osiguranje, Triglav Pojišt'ovna and Triglav Osiguruvanje, Skopje.

Gross claims paid in **credit insurance** decreased by as much as 47%, amounting to EUR 0.5 million. Gross claims paid by the parent company, accounting for the majority of total claims in this insurance class, went down by 39%. This drop was primarily caused by decreased claims in consumer loan insurance and export credit insurance.

Gross claims paid in **other non-life insurance** decreased by 26% compared to 2014 and totalled EUR 3.7 million. A high drop was primarily a consequence of as much as an 89% decrease in gross claims paid by Triglav Osiguranje, Zagreb (because a large payment of a marine insurance claim was made in the respective period last year) and a 22% decrease in claims paid by Zavarovalnica Triglav (accounting for 80% of total claims in this insurance class). Claims paid dropped the most in marine insurance, railway insurance and assistance insurance.

4.3.2.2 Life insurance

Gross claims paid in **life insurance** equalled EUR 49.9 million and were 22% higher compared to the previous year. Their share in the total rose by 5.5 percentage points to 34.8%.

Gross claims paid in life insurance increased by 22% compared to the year before.

The bulk of all claims settled was accounted for by the **life insurance** class (traditional life, annuity, annuity pension and voluntary pension insurance), which totalled EUR 23.7 million, or 1% less compared to the previous year, due to a decrease in surrenders, sums paid out on the maturity and fewer withdrawals. Due to an increase in sums paid out on the maturity, the gross claims in **unit-linked life insurance** paid grew by 31% or EUR 19.0 million in nominal terms. Gross claims paid in **supplemental voluntary pension insurance** increased by 186% as a result of the acquisition of Skupna pokojninska družba (EUR 4.6 million of claims charged) and a 4% growth in the parent company as a result of a high number of surrenders.

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

Insurance class	Gross claims paid		Index	Structure
	Q1 2015	Q1 2014	Q1 2015/ Q1 2014	Q1 2015
Accident insurance	5,819,285	5,620,503	104	4.1%
Health insurance	20,492,627	19,769,184	104	14.3%
Comprehensive car insurance	20,503,233	21,761,292	94	14.3%
Real property insurance	18,542,823	20,526,163	90	12.9%
Motor liability insurance	20,504,189	22,445,378	91	14.3%
General liability insurance	3,567,320	3,083,130	116	2.5%
Credit insurance	494,979	930,700	53	0.3%
Other non-life insurance	3,671,244	4,963,235	74	2.6%
Non-life insurance	93,595,700	99,099,585	94	65.2%
Life insurance	23,722,701	24,042,272	99	16.5%
Unit-linked life insurance	18,968,539	14,436,062	131	13.2%
Capital redemption insurance	7,200,826	2,517,554	286	5.0%
Life insurance	49,892,066	40,995,888	122	34.8%
Total	143,487,766	140,095,473	102	100.0%

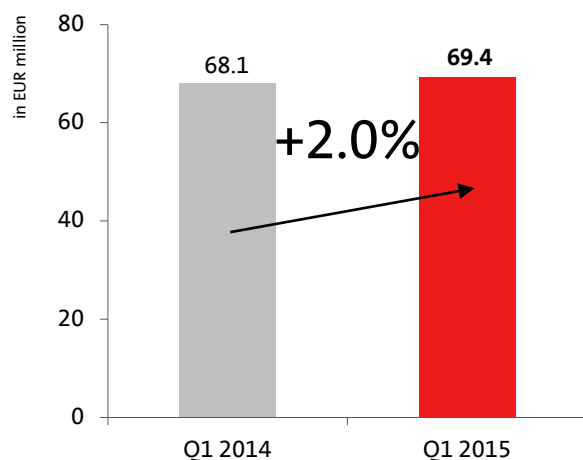
4.3.3 Gross operating expenses

Total consolidated gross operating expenses of the Triglav Group totalled EUR 69.4 million, having increased by 2% over the preceding year. Insurance business expenses climbed by 2% to EUR 54.1 million. Non-insurance business expenses equalled EUR 15.3 million or 2% more than in 2014.

Gross operating expenses increased primarily due to higher labour costs as a result of the acquisition of Skupna pokojninska družba and the strengthening of the sales network in certain subsidiaries.

Insurance business operating expenses accounted for 20.8% of gross written premium, which was 0.1 percentage point more than in the respective period one year earlier. Gross operating expenses in non-life insurance equalled EUR 43.6 million (index 101), in the life-insurance segment they amounted to EUR 8.5 million (index 104) and in health insurance they totalled EUR 2.0 million (index 104).

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



Acquisition costs (fees and commissions) increased by 2% primarily as a result of sales campaigns and insurance agent fees and commissions, totalling EUR 9.6 million. The acquisition costs of goods sold dropped by 7% to EUR 4.3 million. Depreciation expenses

equalled EUR 3.9 million or 11% less than in 2014. With 46.7%, labour costs accounted for the largest portion of total expenses, equalling EUR 34.5 million. Labour costs were higher by 4% 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, TRI-LIFE, Zagreb and TRI-PRO BH, Sarajevo. Costs of services provided by natural persons other than sole proprietors equalled EUR 586 thousand, having decreased by 6%. Other operating costs increased by 5%, reaching EUR 21.0 million. Among other operating expenses, the highest increase was seen in costs of insurance premiums, payment transaction costs and banking services, costs of entertainment, advertising and trade shows, and maintenance costs.

In total gross operating expenses broken down by functional group, costs of insurance contract acquisition accounted for 58.1%, representing an increase of 1.6 percentage points, whilst shares of claim handling costs, asset management costs and other operating costs went down. Claim handling costs accounted for 12.0% (2014: 12.4%), asset management costs for 1.3% (2014: 1.7%) and other operating costs 28.6% (2014: 29.3%).

Table: Gross operating expenses by nature in Q1 2015

	Gross operating expenses		Index	Structure
	Q1 2015	Q1 2014	Q1 2015/ Q1 2014	Q1 2015
Operating expenses by nature				
Acquisition costs (fees and commissions)	9,637,775	9,408,332	102	13.0%
Costs of goods sold	4,297,971	4,627,047	93	5.8%
Depreciation of operating assets	3,889,070	4,364,587	89	5.3%
Labour costs	34,522,607	33,140,923	104	46.7%
- wages and salaries	24,869,771	24,356,255	102	33.6%
- social securities and pension insurance costs	5,656,223	5,223,776	108	7.6%
- other labour costs	3,996,613	3,560,892	112	5.4%
Costs of services provided by natural persons other than SPs together with pertaining taxes	585,923	626,198	94	0.8%
Other operating expenses	21,039,478	20,079,506	105	28.4%
- costs of entertainment, advertising, trade shows	3,035,864	2,744,256	111	4.1%
- costs of material and energy	3,278,141	3,547,594	92	4.4%
- maintenance costs	2,874,314	2,613,969	110	3.9%
- travel expenses	1,288,689	1,185,151	109	1.7%
- costs of intellectual and personal services	1,229,331	1,237,318	99	1.7%
- non-income-related costs, excluding insurance	726,324	791,343	92	1.0%
- costs of transport and communication services	1,706,307	1,593,771	107	2.3%
- costs of insurance premiums	782,382	328,795	238	1.1%
- payment transaction costs and banking services	1,816,088	1,556,548	117	2.5%
- rents	1,635,722	1,648,147	99	2.2%
- costs of services of professional training	173,251	170,504	102	0.2%
- other costs of services	2,468,705	2,662,110	93	3.3%
- long-term employee benefits	24,360	0	0	0.0%
Total	73,972,824	72,246,593	102	100.0%
Consolidation eliminations	-4,541,373	-4,158,270	109	
Total consolidated	69,431,451	68,088,323	102	

4.3.4 Reinsurance

In the first quarter of 2015, the Triglav Group allocated EUR 28.7 million of reinsurance and coinsurance premiums to external equalisation, which was 1% more than in the respective period of 2014. Reinsurance premium accounted for 11.1% of total gross written insurance and coinsurance premiums. A reinsurers' share of gross claims settled of EUR 5.1 million (index 106) 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 2,675.6 million to gross insurance technical provisions, which in total represented an increase of 15% compared to the 31 December 2014 mainly as a result of the acquisition of Skupna pokojninska družba. In non-life insurance, the amount of gross insurance technical provisions increased by 5%, whereas in life insurance and in health insurance it grew by 21% and 12% respectively.

The total amount of gross insurance technical provisions increased by 15%.

Provisions by type as at 31 March 2015 compared to the 2014 year-end:

- **Gross provisions for unearned premium** increased by 18% and reached EUR 289.9 million. Unearned premium from non-life insurance amounted to EUR 286.8 million (index 118), unearned premium from life insurance totalled EUR 517 thousand (index 118) and unearned premium from health insurance reached EUR 2.6 million (index 132).
- **Gross claims provisions** decreased by 1%, amounting to EUR 645.5 million. Gross claims provisions in non-life insurance equalled EUR 616.9 million (index 99), in the life-insurance segment they amounted to EUR 20.1 million (index 100) and in health insurance they totalled EUR 8.5 million (index 103).
- **Mathematical provisions** amounted to EUR 1,714.2 million and climbed by 21% over the 2014 year-end, mainly as a result of the acquisition of Skupna pokojninska družba. Of the total amount of mathematical provisions, EUR 1,215.0 million originated in the long-term business fund backing life insurance (index 127) and EUR 499.2 million in the long-term business fund backing unit-linked life insurance (index 109).
- **Provisions for bonuses and discounts** went up by 1% to EUR 16.0 million.
- **Other insurance technical provisions** remained at approximately the same level as at the 2014 year-end (index 100), amounting to EUR 10.0 million.

Table: Gross insurance technical provisions as at 31 March 2015

	Gross insurance technical provisions		Index
	31 March 2015	31 December 2014	2015/2014
Unearned premiums	289,918,880	245,995,733	118
Mathematical provisions	1,714,246,989	1,412,972,099	121
Claims provisions	645,462,920	648,827,459	99
Provisions for bonuses and discounts	15,953,006	15,845,556	101
Other insurance technical provisions	10,007,655	10,014,327	100
Total	2,675,589,450	2,333,655,174	115

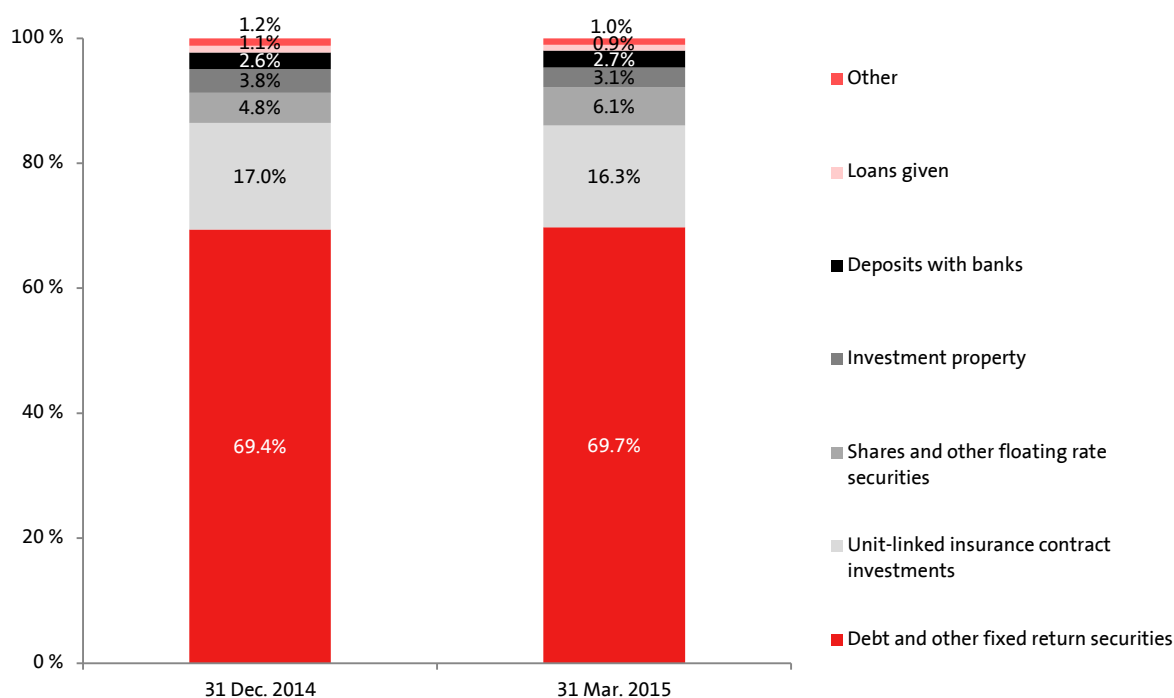
4.3.6 Structure of financial investments

As at 31 March 2015, financial assets, investments in associates and investment property amounted to EUR 3,087.6 million or 13% more compared to the 2014 year-end, primarily as a result of the acquisition of Skupna pokojninska družba and consolidation of its investments. Their share in total assets was 83.5%, the same as at 31 December 2014.

Table: Financial investments of the Triglav Group as at 31 March 2015

	Financial investments			Structure
	31 Mar. 2015	31 Dec. 2014	Index	31 Mar. 2015
Investment property	95,936,861	104,861,479	91	3.1%
Shares in associates	9,891,417	10,371,335	95	0.3%
Shares and other floating rate securities	189,242,848	131,163,508	144	6.1%
Debt and other fixed return securities	2,153,050,433	1,898,363,632	113	69.7%
Loans given	28,799,286	28,870,695	100	0.9%
Deposits with banks	84,031,109	72,150,085	116	2.7%
Other financial investments	18,634,445	19,358,617	96	0.6%
Financial investments of reinsurance companies in reinsurance contracts with cedents	3,859,810	3,682,053	105	0.1%
Unit-linked insurance contract investments	504,199,561	465,787,739	108	16.3%
Total	3,087,645,770	2,734,609,143	113	100.0%

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



In the reporting year, 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 point. As at 31 March 2015, they totalled EUR 2,153.1 million, which represented a 13% 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 up by 8%. They amounted to EUR 504.2 million as at the reporting date, accounting for 16.3% of total financial assets.

Investments in shares and other floating rate securities increased by 44% to EUR 189.2 million in nominal terms due to the acquisition of Skupna pokojninska družba and consolidation of its equity investments. Their share in total assets climbed by 1.3 percentage points to 6.1%.

Investment property of EUR 95.9 million decreased by 9% compared to the 2014 year-end. The decrease was a result of transferring the value of the land plot, for which a sales agreement

was already concluded, from investment property to non-current assets held for sale. They accounted for 3.1% of total financial assets.

Deposits with banks increased by 16%, mainly due to the acquisition of Skupna pokojninska družba and consolidation of its deposits. Reaching EUR 84.0 million, they accounted for a 2.7% share of the total financial assets.

Loans given remained at approximately the same level as at the 2014 year-end (index 100), amounting to EUR 28.8 million. In total financial assets, their share accounted for 0.9%.

Other financial investments stood at EUR 18.6 million (index 96), representing a 0.6% share of total financial assets. **Financial investments in associates** went down by 5% (a 0.3% share of total financial investments), amounting to EUR 9.9 million. **Financial investments of reinsurance companies in reinsurance contracts with cedents** increased by 5%, equalling EUR 3.9 million and accounting for only 0.1% of total financial assets.

By issuer sector, government bonds representing 62.5% 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 an 8% increase, while their share in total financial assets dropped by 3.0 percentage points. Structured bonds slightly decreased by 0.2 percentage point as did their value (index 99). In contrast, the shares of corporate bonds (18.9%) and financial bonds (16.6%) in total debt securities increased, mainly as a result of a lower exposure to government bonds with the highest credit rating.

Table: Debt securities of the Triglav Group by issuer sector

Issuer sector	Debt securities		Index	Structure	
	31 March 2015	31 December 2014	2015/2014	31 Mar. 2015	31 Dec. 2014
Corporate	407,908,396	298,591,083	137	18.9%	15.7%
Financial	357,741,227	313,411,226	114	16.6%	16.5%
Government	1,345,087,327	1,243,675,381	108	62.5%	65.5%
Structured	42,313,483	42,685,942	99	2.0%	2.2%
Total	2,153,050,433	1,898,363,632	113	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 ratings continued in the first three months of 2015. The share of AAA-rated bonds went down primarily as a result of a lower return compared to the return on BBB-rated bonds. In debt securities, the share of bonds in credit rating grades below the BBB-rating saw the highest growth (by 5.9 percentage points) as a result of additional government bonds purchased in these grades as well as the acquisition of Skupna pokojninska družba and consolidation of its investments. Due to the latter, the share of bonds in credit rating grades with no agency credit rating assigned (accounting for 0.6%) also increased.

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

Credit rating	Debt securities		Index	Structure	
	31 March 2015	31 December 2014	2015/2014	31 Mar. 2015	31 Dec. 2014
AAA	291,398,198	318,412,989	92	13.5%	16.8%
AA	82,625,310	79,671,514	104	3.8%	4.2%
A	264,213,641	261,010,489	101	12.3%	13.7%
BBB	1,072,402,794	970,935,626	110	49.8%	51.1%
Below BBB	382,386,471	226,806,796	169	17.8%	11.9%
Not rated	60,024,019	41,526,219	145	2.8%	2.2%
Total	2,153,050,433	1,898,363,632	113	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 Q1 2015, most purchases were made in investments in peripheral countries, particularly in investments of Italian (index 137), Slovene (index 121) and Spanish issuers (index 111). The increase in the positions of these securities can be attributed to price changes and net purchases, as the 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 the Triglav Group by issuer's country

Country of issuer	Debt securities		Index	Structure	
	31 March 2015	31 December 2014	2015/2014	31 Mar. 2015	31 Dec. 2014
Slovenia	667,286,711	550,739,434	121	31.0%	29.0%
Germany	196,465,565	203,189,067	97	9.1%	10.7%
Spain	132,462,105	119,063,904	111	6.2%	6.3%
Italy	131,233,148	95,968,528	137	6.1%	5.1%
France	118,512,637	113,461,521	104	5.5%	6.0%
Netherlands	111,752,293	112,597,790	99	5.2%	5.9%
Other	795,337,974	703,343,389	113	36.9%	37.0%
Total	2,153,050,433	1,898,363,632	113	100.0%	100.0%

Note: Unit-linked insurance contract investments data excluded.

The proportion of shares in total financial assets increased by 41%, mainly due to the acquisition of Skupna pokojninska družba and consolidation of its equity investments. Exposure to shares of developing markets (index 366), to shares of developed markets (index 155) and to shares in the Balkans (index 123) increased partly as a result of the above-mentioned acquisition and both the purchases and price growth.

Table: Equity investments of the Triglav Group by geographic area

Geographic area	Equity investments		Index	Structure	
	31 March 2015	31 December 2014	2015/2014	31 Mar. 2015	31 Dec. 2014
Slovenia	74,681,353	67,086,998	111	37.5%	47.4%
Developed markets	91,435,293	58,821,494	155	45.9%	41.6%
Developing markets	20,734,585	5,662,800	366	10.4%	4.0%
Balkans	12,283,034	9,963,549	123	6.2%	7.0%
Total	199,134,265	141,534,842	141	100.0%	100.0%

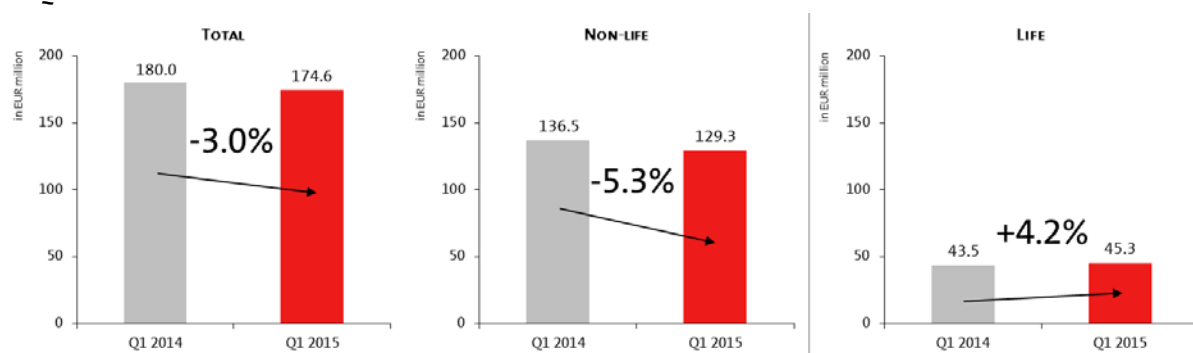
4.4 Performance of Zavarovalnica Triglav

4.4.1 Gross written premiums form insurance and co-insurance contracts

In the first three months of 2015, Zavarovalnica Triglav booked a total of EUR 174.6 million of gross written premium from insurance and co-insurance contracts or 3% less than in the same period of 2014.

Zavarovalnica Triglav booked a total of EUR 174.6 million of gross written premium from insurance and co-insurance contracts.

Graph: Gross written premiums from insurance and co-insurance contracts in Q1 2015 compared to Q1 2014



The gross written premiums in non-life insurance totalled EUR 129.3 million, having decreased by 5% compared to the preceding year, whilst that of life insurance increased by 4% or EUR 45.3 million in nominal terms.

In total written premium, non-life insurance accounted for 74.0% and life insurance for 26.0%. The share of life insurance premium in total gross written premium increased by 1.8 percentage points compared to the same period of the previous year.

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

Insurance class	Gross written premium		Index	Structure
	Q1 2015	Q1 2014	Q1 2015/ Q1 2014	Q1 2015
Accident insurance	7,843,858	8,185,752	96	4.5%
Health insurance	0	0	0	0.0%
Comprehensive car insurance	29,142,408	30,070,672	97	16.7%
Real property insurance	42,179,876	46,379,396	91	24.2%
Motor liability insurance	26,830,389	27,980,449	96	15.4%
General liability insurance	11,675,892	12,143,376	96	6.7%
Credit insurance	5,391,433	5,107,583	106	3.1%
Other non-life insurance	6,214,986	6,617,323	94	3.6%
Non-life insurance	129,278,841	136,484,550	95	74.0%
Life insurance	22,547,187	21,888,346	103	12.9%
Unit-linked life insurance	19,514,104	18,276,061	107	11.2%
Capital redemption insurance	3,285,106	3,334,248	99	1.9%
Life insurance	45,346,397	43,498,655	104	26.0%
Total	174,625,238	179,983,205	97	100.0%

In **credit insurance** as a part of **non-life insurance**, written premium amounted to EUR 5.4 million, representing a 6% growth. Good sales results were achieved in most insurance subclasses, primarily in financial gap insurance, insurance in the event of unemployment, disability and death, (marketed by banks as an additional product taken out simultaneously with consumer and housing loans) and export credit 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.

In the **real property insurance** class (fire and natural disaster insurance and other damage to property insurance), accounting for 24.2% in total written premium, a 9% premium decrease was recorded. The main reason therefore was a high, 64% drop in crop and fruit insurance premium, mainly due to the January 2014 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 50% to 40%. As a result, most insurance policies were taken out before the amended Decree came into force. In addition, lower crop and fruit insurance was impacted by this year's amendment to the Decree, which further reduced the co-financing of this insurance from 40% to 20%. On top of that, competition in this insurance segment is becoming fiercer, which also reduced the premium. A large drop in premium was recorded in machinery breakdown insurance, which was affected by the loss of the premium of a major policyholder as a result of the transition to a new public contract and charging the premium already in 2014 due to the increased insurance contracts tax as of 1 January 2015. In industrial risk insurance, the premium of a major policyholder for 2015 was already charged in 2014. On the other hand, construction insurance, car warranty insurance, fire insurance in the power industry and travel insurance experienced a high increase in premium.

In **motor vehicle insurance**, which accounted for the largest share (32.1%) in the portfolio, EUR 56.0 million in premium was recorded, i.e. 4% less than in the preceding year. Motor liability insurance premium and comprehensive car insurance premium decreased by 4% and 3% 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.

Written premium of **general liability insurance** amounted to EUR 11.7 million. A 4% drop was predominantly a result of lower general liability insurance premium (index 96), accounting for as much as 84% of total premium in this insurance class. A large decline in premium was also recorded in other professional liability insurance due to a non-renewal of the insurance contract of a major client. In contrast, a high increase in premium was recorded in liability of management and supervisory board insurance and in several professional liability insurance products (such as the liability of medical doctors, attorneys-at-law, tax advisers and real estate agents), which accounted for only 3% in this insurance class.

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 (40%) was primarily the consequence of an increasing number of corporate bankruptcies and reduced operating expenses of companies.

A 6% premium decrease was seen in **other non-life insurance**. This mainly resulted from lower premium in miscellaneous financial loss insurance, railway insurance and marine insurance. In miscellaneous financial loss insurance, the largest drop was recorded in business interruption insurance as a part of fire insurance and machinery breakdown insurance, primarily due to a different premium charging dynamics. The latter also caused a decline in railway insurance premium (in the corresponding period last year, insurance of a major policyholder was already taken out, whereas this year it has not yet been). Harsh economic conditions significantly affected premium from marine insurance as the policyholders were returning the vessels funded through leasing or sold them. On the other hand, assistance insurance, goods in transit

insurance, aircraft insurance, suretyship insurance, aircraft liability insurance and marine liability insurance experienced increases in premium.

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 3% higher than in 2014 and accounted for almost 50% of total life insurance premium.

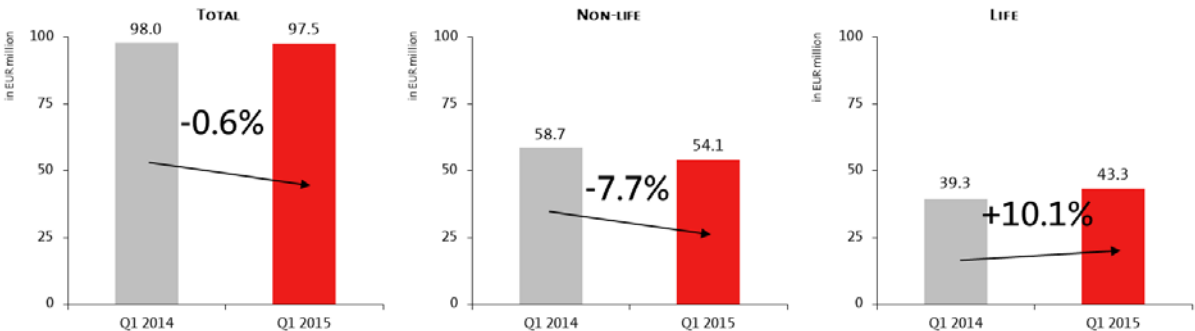
The premium generated by **unit-linked life insurance** (life insurance linked to the units of investment funds) experienced a 7% growth, accounting for 43% of written premium in the life insurance class. The growth primarily resulted from the transfers of assets from other insurance policies at maturity into the TZD2 guaranteed return fund. **Supplemental voluntary pension insurance** (capital redemption insurance) generated 1% less premium than a year before.

4.4.2 Gross claims paid

In the reporting period, gross claims paid (including claim handling costs and income from exercised subrogation receivables) decreased by 1% to EUR 97.5 million in nominal terms compared to the year before. Performance results were also affected by the February wind storms in Western Slovenia, which caused approximately EUR 2 million of damage.

Gross claims paid decreased by 1% compared to the respective period in the year before.

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



Gross claims paid in **non-life insurance** decreased by 8% compared to 2014 and totalled EUR 54.1 million. Non-life insurance premium growth was higher by 2 index points compared to the growth of gross claims.

Non-life insurance premium growth was higher by 2 index points compared to the growth of gross claims.

An increase in gross claims paid was recorded in general liability insurance (index 110) and accident insurance (index 104). The highest growth in gross claims paid was recorded in **general liability insurance**, mainly due to the payments of six large individual claims in the largest insurance subclass – general liability insurance (accounting for a 89% share of this insurance class). A high growth in gross claims paid from **accident insurance** came primarily from two insurance subclasses taken out simultaneously with car insurance (the driver’s bodily injury insurance or AO-plus insurance and driver and passenger accident insurance). A 1% increase in gross claims paid was also seen in the largest insurance subclass of group accident insurance (56% of accident insurance).

Gross claims paid in other non-life insurance classes decreased compared to the respective period last year. The highest drop in claims was recorded in **credit insurance** (index 61) and

other non-life insurance (index 78). In the largest non-life insurance class, i.e. **comprehensive car insurance**, representing 31.9% of all non-life insurance claims, gross claims decreased by 6%. A 10% drop in gross claims was seen in **motor liability insurance**. In the reporting period, gross claims paid in **real property insurance** decreased by 8%.

Gross claims paid in **life insurance** totalled EUR 43.3 million and were 10% higher compared to the respective period last year. Claims in the life insurance group accounted for 44.4% of total claims paid or 4.3 percentage points more. Due to an increase in sums paid out on the maturity, gross claims in **unit-linked life insurance** recorded a high growth of 33%. Gross claims paid in **supplemental voluntary pension insurance** increased by 4% as a result of a high number of surrenders. The bulk of all claims settled was accounted for by **life insurance** (traditional life insurance, pension insurance, annuity pension insurance and voluntary pension insurance), amounting to EUR 22.0 million. Compared to the previous year, they fell by 4% due to a lower number of surrenders, a decrease in sums paid out on the maturity and fewer withdrawals.

Gross claims paid in life insurance increased by 10% compared to the corresponding period last year.

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

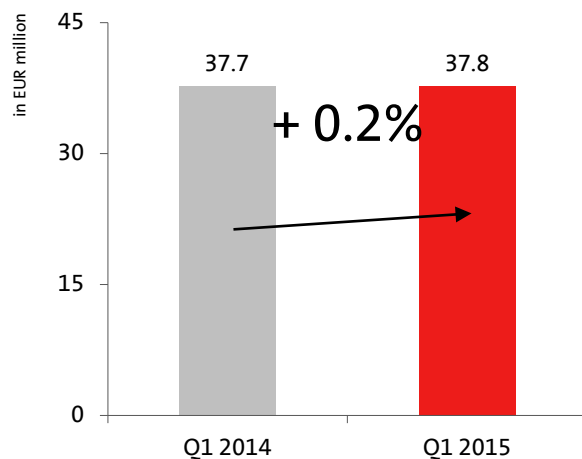
Insurance class	Gross claims paid		Index	Structure
	Q1 2015	Q1 2014	Q1 2015/ Q1 2014	Q1 2015
Accident insurance	3,367,770	3,252,628	104	3.5%
Health insurance	0	0	0	0.0%
Comprehensive car insurance	17,271,807	18,319,454	94	17.7%
Real property insurance	14,377,174	15,670,036	92	14.8%
Motor liability insurance	12,712,633	14,115,482	90	13.0%
General liability insurance	2,963,122	2,704,378	110	3.0%
Credit insurance	524,293	862,449	61	0.5%
Other non-life insurance	2,929,809	3,758,105	78	3.0%
Non-life insurance	54,146,608	58,682,533	92	55.6%
Life insurance	21,975,265	22,794,016	96	22.6%
Unit-linked life insurance	18,708,952	14,026,375	133	19.2%
Capital redemption insurance	2,620,110	2,517,553	104	2.7%
Life insurance	43,304,327	39,337,945	110	44.4%
Total	97,450,935	98,020,478	99	100.0%

4.4.3 Gross operating expenses

Gross operating expenses remained at approximately the same level as the year before (index 100), reaching EUR 37.8 million.

Gross operating expenses remained at approximately the same level as the year before.

Graf: Gross operating expenses in Q1 2015 compared to the same period of 2014



Operating expenses accounted for 21.6% of gross written premium and were 0.7 percentage points higher than in the same period of 2014.

Acquisition costs (fees and commissions) increased by 4%, primarily as a result of sales campaigns and insurance agent fees and commissions, totalling EUR 5.5 million. Depreciation costs decreased by 18% to EUR 2.0 million. Labour costs, accounting for the bulk of total expenses (57.1%), grew by 1% and equalled EUR 21.6 million. The main reason was the increase in other labour costs due to the conclusion of the collective insurance, comprehensive health care for employees and the payments of retirement benefits. Costs of services provided by natural persons other than sole proprietors grew by 7%, mainly due to higher costs related to work contracts, totalling EUR 0.4 million. Other operating expenses totalled EUR 8.3 million, having increased by 2%. Among other operating expenses, the highest increase was seen in costs of insurance premiums, maintenance costs and costs of transport and communications services.

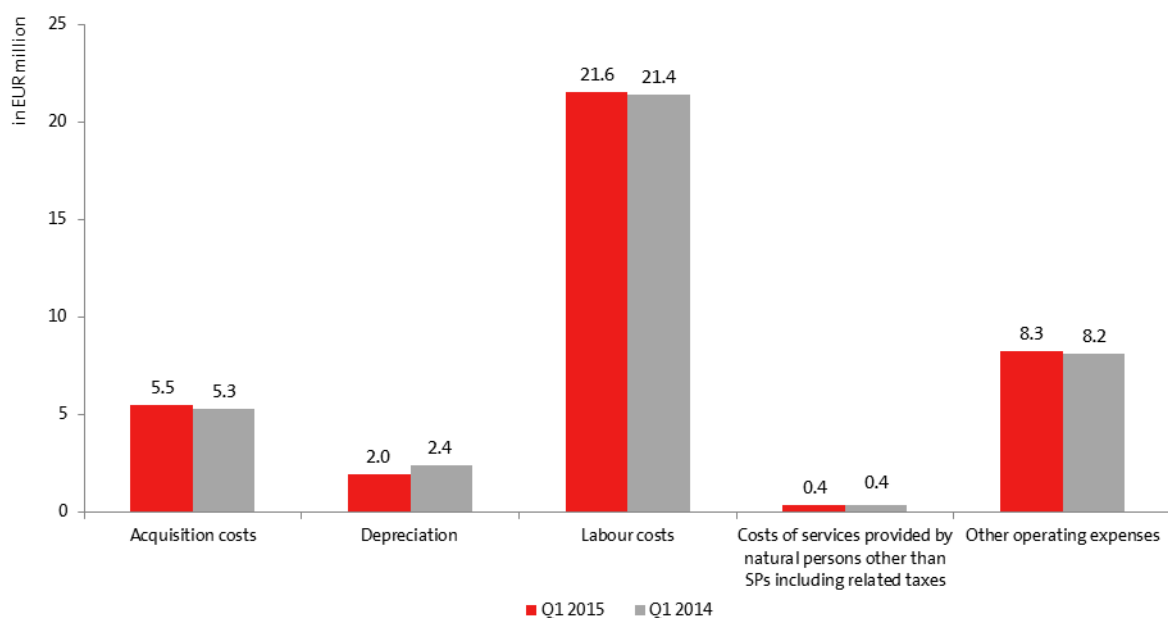
Gross operating expenses in non-life insurance increased by 1% to EUR 29.8 million. This accounted for 23.1% of total gross written premium, which was 1.5 percentage points more than in the year before. Operating expenses in life insurance dropped by 3%, amounting to EUR 7.9 million. This accounted for 17.5% of total gross written premium, which was 1.3 percentage points less than in the corresponding period of 2014.

In total gross operating expenses, broken down by functional groups, acquisition costs accounted for 62.0%, which increased by 1.2 percentage points. Compared to the previous year, the shares of other functional groups decreased. Claim handling costs accounted for 12.9% (Q1 2014: 13.0%), asset management costs for 1.5% (Q1 2014: 2.1%) and other operating expenses for 23.6% (Q1 2014: 24.1%).

Table: Gross operating expenses in Q1 2015 by nature

Operating costs by nature	Gross operating costs		Index	Structure
	Q1 2015	Q1 2014	Q1 2015/ Q1 2014	Q1 2015
Acquisition costs (fees and charges)	5,524,530	5,316,790	104	14.6%
Depreciation of operating assets	1,972,502	2,402,993	82	5.2%
Labour costs	21,561,755	21,438,757	101	57.1%
- wages and salaries	16,169,008	16,282,547	99	42.8%
- social security and pension insurance costs	2,669,097	2,652,518	101	7.1%
- other labour costs	2,723,650	2,503,691	109	7.2%
Costs of services provided by natural persons other than SPs including related taxes	405,486	378,154	107	1.1%
Other operating expenses	8,296,829	8,162,104	102	22.0%
- costs of entertainment, advertising, trade shows	1,657,331	1,620,217	102	4.4%
- costs of material and energy	1,047,648	1,161,650	90	2.8%
- maintenance costs	1,826,260	1,509,804	121	4.8%
- reimbursement of labour-related costs	772,127	839,037	92	2.0%
- costs of intellectual and personal services	408,791	505,066	81	1.1%
- non-income-related costs, excluding insurance	183,620	221,908	83	0.5%
- costs of transport and communication services	748,830	656,293	114	2.0%
- costs for insurance premiums	231,642	51,839	447	0.6%
- payment transaction costs and banking services	439,893	470,841	93	1.2%
- rents	489,491	636,783	77	1.3%
- costs of professional training services	68,255	71,702	95	0.2%
- other costs of services	422,940	416,965	101	1.1%
Total	37,761,103	37,698,798	100	100.0%

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



4.4.4 Reinsurance

In the first quarter of 2015, Zavarovalnica Triglav allocated EUR 28.0 million to external equalisation, which was 6% more than in the respective period of 2014. Reinsurance premium accounted for 16.0% of total gross written premium. The change in gross unearned premium related to reinsurance amounted to EUR 12.1 million, having increased by 7% over the previous year. In the reporting period, a reinsurers' and co-insurers' share of gross claims settled of EUR

5.2 million was received from reinsurance and coinsurance (index for the period: 104). The change in claims provisions for the reinsurance portion equalled EUR 2.3 million (2014: EUR – 8.6 million). The Company also received EUR 4.3 million in reinsurance commissions (index 85).

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, the Company allocated EUR 2,158.9 million to gross insurance technical provisions, which in total represented an increase of 5% compared to the 2014 year-end.

The total amount of gross insurance technical provisions increased by 5%.

In non-life and life insurance, the amount of gross insurance technical provisions increased by 5% respectively.

Provisions by type as at 31 March 2015 compared to the 2014 year-end:

- **Gross provisions for unearned premium** increased by 20% and reached EUR 219.3 million. Unearned premiums from non-life insurance totalled EUR 218.8 million (index 120) and from life insurance EUR 495 thousand (index 120).
- **Gross claims provisions** decreased by 1% and amounted to EUR 506.5 million. Claims provisions from non-life insurance totalled EUR 487.3 million (index 99) and those from life insurance EUR 19.1 million (index 100).
- **Mathematical provisions** increased by 5% to EUR 1,412.2 million over the previous year. Of the total amount of mathematical provisions, EUR 717.5 million originated from the guarantee fund backing life insurance, EUR 481.1 million from the guarantee fund backing unit-linked life insurance, EUR 184.8 million from the guarantee fund backing SVPI, and EUR 28.8 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** totalled EUR 5.5 million, having increased by 11% mostly due to higher provisions for unexpired risks (index 111), the value of which reached EUR 4.6 million. Other insurance technical provisions also included provisions for cancellations, which went down by 3% to EUR 892 thousand over the 2014 year-end.

Table: Gross insurance technical provisions as at 31 March 2015

	Gross insurance technical provisions		Index
	31 March 2015	31 December 2014	2015/2014
Unearned premiums	219,315,398	182,902,536	120
Mathematical provisions	1,412,213,435	1,347,810,649	105
Claims provisions	506,450,649	508,999,132	99
Provisions for bonuses and discounts	15,380,257	15,380,257	100
Other insurance technical provisions	5,504,421	4,950,270	111
Total	2,158,864,161	2,060,042,843	105

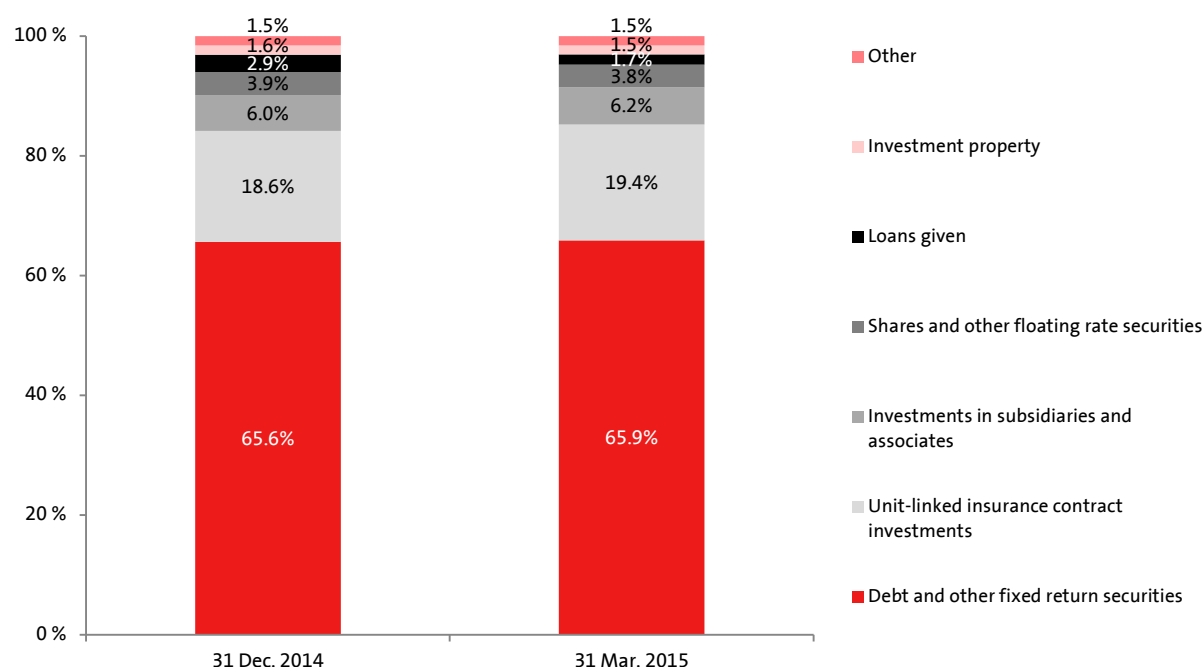
4.4.6 Structure of financial investments

As at 31 March 2015, financial assets, investments in subsidiaries and associates, and investment property amounted to EUR 2,507.5 million or 4% more than at the 2014 year-end. Their share in total assets dropped by 1.5 percentage points, reaching 87.5%.

Table: Financial investments of Zavarovalnica Triglav as at 31 March 2015

	Financial investments		Index	Structure
	31 March 2015	31 December 2014	2015/2014	31 March 2015
Investment property	37,934,306	37,972,457	100	1.5%
Investments in subsidiaries and associates	155,063,647	144,226,398	108	6.2%
Shares and other floating rate securities	95,483,147	94,055,462	102	3.8%
Debt and other fixed return securities	1,651,779,151	1,589,817,995	104	65.9%
Loans given	42,999,879	69,228,331	62	1.7%
Deposits with banks	34,428,225	33,708,868	102	1.4%
Other financial investments	2,453,802	3,072,247	80	0.1%
Derivative financial instruments	1,396,237	698,620	200	0.1%
Unit-linked insurance contract investments	486,003,506	449,802,771	108	19.4%
Total	2,507,541,899	2,422,583,150	104	100.0%

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



The tables show certain changes in investment grade structure of financial assets that occurred as at the reporting date, as the Company implemented its strategy of maintaining a high credit rating. The largest, 65.9% share of total financial assets of the Company was maintained by **debt and other fixed-return securities**. As at 31 March 2015, they totalled EUR 1,651.8 million, which represented a 4% increase compared to the 2014 year-end.

Unit-linked insurance contract investments were up by 8%. They amounted to EUR 486.0 million, accounting for 19.4% of total financial assets.

Compared to 31 December 2014, **financial investments in subsidiaries and associates** increased by 8% to EUR 155.1 million, representing 6.2% of total assets.

Investments in shares and other floating-rate securities grew by 2% to EUR 95.5 million in nominal terms. Their share in total financial assets fell by 0.1 percentage point to 3.8%.

Loans given declined by 38% over the 2014 year-end and amounted to EUR 43.0 million, accounting for 1.7% of total financial assets.

Investment property amounted to EUR 37.9 million and remained at approximately the same level as at the 2014 year-end (index 100), accounting for 1.5% of total financial assets.

Deposits with banks increased by 2% to EUR 34.4 million. They represented 1.4% of total financial assets.

Other financial investments stood at EUR 2.5 million (index 80), representing a 0.1% share of total financial assets. **Derivatives** experienced a 100% increase, amounting to EUR 1.4 million and accounting for 0.1% of total financial assets.

By issuer sector, government bonds, representing 62.0%, continued to account for the bulk of total debt securities (63.5% as at the 2014 year-end). Compared to the 2014 year-end, they experienced a 1% increase, while their share in total financial assets dropped by 1.5 percentage points. Structured bonds decreased by 0.1 percentage point as did their value (index 99). In contrast, the shares of corporate bonds (17.5%) and financial bonds (18.0%) in total debt securities increased, mainly as a result of a lower exposure to government bonds with the highest credit rating.

Table: Debt securities of Zavarovalnica Triglav by issuer sector

Issuer sector	Debt securities		Index	Structure	
	31 March 2015	31 December 2014	2015/2014	31 Mar. 2015	31 Dec. 2014
Corporate	288,382,877	260,010,200	111	17.5%	16.4%
Financial	297,736,305	278,178,360	107	18.0%	17.5%
Government	1,023,349,805	1,008,943,897	101	62.0%	63.5%
Structured	42,310,164	42,685,539	99	2.6%	2.7%
Total	1,651,779,151	1,589,817,995	104	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 ratings continued in the first three months of 2015. The share of AAA-rated bonds went down primarily as a result of lower return compared to the return on BBB-rated bonds. In total debt securities, the share of bonds with a BBB credit rating increased the most, i.e. by 2.1 percentage points; at the same time, their value went up as well (index 108). The increase is a result of both new purchases made and a continued growth of prices of bonds in this credit rating grade. Moreover, a higher share of bonds in credit rating grades below the BBB-rating (by 1.0 percentage point) resulted from the fact that additional government bonds in these grades were purchased. A lower share of bonds in credit rating grades with no agency credit rating assigned (accounting for 1.2%) resulted from the fact that certain bonds in these grades fell due or were sold.

Table: Debt securities of Zavarovalnica Triglav by issuer credit rating

Credit rating	Debt securities		Index	Structure	
	31 March 2015	31 December 2014	2015/2014	31 Mar. 2015	31 Dec. 2014
AAA	257,761,041	280,322,943	92	15.6%	17.6%
AA	77,935,493	76,472,078	102	4.7%	4.8%
A	244,538,833	241,018,389	101	14.8%	15.2%
BBB	933,908,783	865,975,039	108	56.5%	54.5%
Below BBB	117,299,297	96,896,476	121	7.1%	6.1%
Not rated	20,335,704	29,133,071	70	1.2%	1.8%
Total	1,651,779,151	1,589,817,995	104	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 Q1 2015, most purchases were made in investments in peripheral countries, particularly in investments of Italian (index 127), Spanish (index 107) and Slovene issuers (index 102). The increase in the positions of these securities can be attributed to price changes and net purchases, as the positions were increased. A lower exposure to 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	
	31 March 2015	31 December 2014	2015/2014	31 Mar. 2015	31 Dec. 2014
Slovenia	488,343,318	477,325,016	102	29.6%	30.0%
Germany	175,109,466	184,163,008	95	10.6%	11.6%
Spain	119,954,745	112,276,088	107	7.3%	7.1%
Italy	119,044,337	93,946,562	127	7.2%	5.9%
France	102,724,631	103,611,978	99	6.2%	6.5%
Netherlands	86,072,288	94,387,310	91	5.2%	5.9%
Other	560,530,366	524,108,034	107	33.9%	33.0%
Total	1,651,779,151	1,589,817,995	104	100.0%	100.0%

Note: Unit-linked insurance contract investments data excluded.

The proportion of **shares** in total financial assets increased by 5%, mainly due to the purchases of shares in developing markets and the growth rates of Slovene shares. Exposure to shares of developing markets (index 222) and to shares in the Balkans (index 122) increased as a result of both purchases and price growth.

Table: Equity investments of Zavarovalnica Triglav by geographic area

Geographic area	Equity investments		Index	Structure	
	31 March 2015	31 December 2014	2015/2014	31 Mar. 2015	31 Dec. 2014
Slovenia	207,196,583	195,723,206	106	82.7%	82.1%
Developed markets	29,239,072	33,973,340	86	11.7%	14.3%
Developing markets	8,113,924	3,653,911	222	3.2%	1.5%
Balkans	5,997,216	4,931,403	122	2.4%	2.1%
Total	250,546,795	238,281,861	105	100.0%	100.0%

5. FINANCIAL RESULT AND FINANCIAL STANDING

5.1 The Triglav Group

5.1.1 Financial result

Despite the challenging conditions on insurance markets, the Triglav Group posted a **net profit of EUR 31.1 million** in the first three months of 2015 or 22% more than in the same period last year. Net profit attributable to the shareholders of the controlling company amounted to EUR 30.9 million (index 122), whereas net profit attributable to minority shareholders totalled EUR 150 thousand (index 120). 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. Solid operating results were additionally affected by a high return on financial investments. **Profit before tax** amounted to EUR 37.2 million or 27% more than in 2014.

Despite the challenging market conditions, the Triglav Group ended the first three months of 2015 with a net profit of 31.1 million or 22% more than in the same period last year.

The **combined ratio** in non-life insurance, which shows profitability of operations, was **92.3%**. 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 decreased by 6.2 percentage points, mainly as a result of extraordinary loss events 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 204.6 million and was 2% higher than in the respective period of 2014. Net life premium earned increased by 16%, primarily due to the acquisition of Skupna pokojninska družba. Net claims incurred decreased by 3% in non-life insurance, whilst in health insurance they remained at approximately the same level as in 2014 (index 100). Ceded written premium amounted to EUR 28.7 million and was 1% higher over the preceding year. Gross unearned premium totalled EUR 26.8 million and remained at a level approximately equal to the previous year (index 100).

Net claims incurred (gross claims increased by claim handing costs and reduced by the reinsurers' and co-insurers' shares and subrogated receivables, adjusted by the change in gross claims provisions taking into account the reinsurers' and co-insurers' shares in these provisions) decreased by 4% and totalled EUR 144.0 million. Net claims incurred from non-life insurance decreased by 17%, whereas those from life insurance rose by 18% (mainly due to the acquisition of Skupna pokojninska družba) and those from health insurance by 7%. The reinsurers' and co-insurers' shares in gross claims increased by 6% and totalled EUR 5.1 million. The change in net claims provisions was EUR –1.3 million, compared with EUR 7.4 million in the same period of 2014. Equalisation scheme expenses for supplemental health insurance fell by 16% and totalled EUR 1.6 million.

Income from financial assets climbed by 112% and totalled EUR 113.5 million. Income from financial assets in associates increased substantially, amounting to EUR 3.3 million (2014: EUR 60 thousand), predominantly due to the acquisition of Skupna pokojninska družba. Income from other financial assets of EUR 62.7 million was higher by 46%, 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 47.4 million (index 454). **Financial expenses** equalled EUR 21.5 million or 13% more than in 2014. Expenses from financial assets in associates totalled only EUR 85 thousand (2014: EUR 1.1 million), expenses from other financial assets were up by 142% to EUR 20.8 million and net unrealised losses on unit-linked life insurance assets reached EUR 597 thousand (2014: EUR 9.3 million). Permanent impairments amounted to EUR 22 thousand, 48% less than in the same period of the preceding year.

Return on investment (excluding unit-linked insurance contract investments) represents the difference between income and expenses from financial assets. Return on financial investments amounted to EUR 45.1 million, which climbed by 35% over the preceding year mainly as a result of the acquisition of Skupna pokojninska družba and consolidation of returns on its investments.

Return on financial investments climbed by 35%.

Changes in other insurance technical provisions summed up to EUR 26.4 million (index 275), primarily as a consequence of increased mathematical provisions due to the acquisition of Skupna pokojninska družba. **Change in insurance technical provisions for unit-linked insurance contracts** totalled EUR 40.3 million (compared to EUR –658 thousand in the previous year) due to an increase in the price of fund units. **Expenses for bonuses and discounts** stood at EUR 2.5 million, which was 21% less than in the same period last year.

Operating expenses (acquisition costs and other operating expenses) amounted to EUR 47.0 million and were 3% higher than in the respective period of 2014. Acquisition costs totalled EUR 31.5 million (index 105), whereas other operating expenses amounted to EUR 15.5 million (index 99).

Other insurance income decreased by 15% to EUR 3.6 million. **Other income** reached EUR 18.9 million and stayed at approximately the same level as the year before (index 100). **Other insurance expenses** totalled EUR 5.1 million (index 88), whilst **other expenses** amounted to EUR 16.4 million (index 105).

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

	in EUR		
	Q1 2015	Q1 2014	Index
Net premium income	204,589,296	200,714,576	102
Income from financial assets	113,452,609	53,561,097	212
Other income from insurance operations	3,551,920	4,189,017	85
Other income	18,867,746	18,910,582	100
Net claims incurred	144,046,701	149,934,835	96
Change in other insurance technical provisions	26,420,690	9,593,602	275
Change in insurance technical provisions for unit-linked insurance contracts	40,310,246	-658,109	
Expenses for bonuses and discounts	2,529,957	3,206,599	79
Change in financial contracts liabilities	0	0	0
Operating expenses	46,955,315	45,633,953	103
Expenses from financial assets and liabilities	21,495,729	19,077,622	113
Other insurance expenses	5,081,439	5,787,040	88
Other expenses	16,411,284	15,614,233	105
Profit/loss before tax	37,210,210	29,185,497	127
Income tax expense	6,136,774	3,626,718	169
Net profit/loss for the accounting period	31,073,436	25,558,779	122

5.1.2 Financial standing

The **total balance sheet** of the Triglav Group as at 31 March 2015 stood at EUR 3,696.2 million or 13% more compared to the 2014 year-end.

The **total equity capital** as at the reporting date increased by 9% to EUR 747.6 million over the 2014 year-end. The share of equity in total liabilities increased by 0.8 percentage point, from 21.0% to 20.2%. Equity attributable to the controlling company amounted to EUR 736.4 million, while non-controlling interest holders had EUR 11.2 million. Share capital, divided into 22,735,148 ordinary shares, remained at the 2014 year-end level and totalled EUR 73.7 million. Share premium amounted to EUR 57.0 million, whilst reserves from profit totalled EUR 299.9 million, remaining at approximately the same level as at the 2014 year-end (index 100). As a result of an increase in the value of available-for-sale financial assets, revaluation surplus increased by 25% and totalled EUR 118.8 million. As at the reporting date, accumulated profit for the period was EUR 190.3 million (index 119), including net profit for the period of EUR 30.8 million (index 49) and net profit brought forward of EUR 159.5 million (index 165).

The total equity capital increased by 9% compared to the 2014 year-end.

Subordinated liabilities decreased by 1% compared to the level reported at the 2014 year-end. Their share in total liabilities accounted for 0.8%, totalling EUR 27.8 million.

Gross insurance technical provisions grew by 15% and amounted to EUR 2,675.6 million. Their share in the balance sheet total increased by 1.2 percentage point, from 71.2% as at the 2014 year-end to 72.4%. As at the reporting date, mathematical provisions amounted to EUR 1,714.2 million, which was 21% higher than as at the end of the previous year, whilst provisions for gross unearned premium rose by 18%. Gross claims provisions decreased by 1%, whereas other insurance technical provisions remained at approximately the same level as at the 2014 year-end (index 100). Insurance technical provisions are discussed in greater detail under *Section 4.3.5*.

Financial liabilities as at 31 March 2015 totalled EUR 18.5 million or 23% more than as at 31 December 2014. The increase in liabilities was primarily the result of purchases of securities arising from cash settlements not yet executed in the accounting period, representing 0.5% of total balance sheet liabilities.

Operating liabilities as at the 31 March 2015 totalled EUR 67.1 million, having increased by 15% over the 2014 year-end. They accounted for 1.8% of total balance sheet liabilities, the same as at the 2014 year-end. Liabilities from direct insurance operations dropped by 9% to EUR 14.3 million. Liabilities from co-insurance and reinsurance operations grew by 23% to EUR 44.8 million. Current tax liabilities equalled EUR 8.1 million (index 123).

Other provisions amounted to EUR 19.2 million and were up by 18% over the 2014 year-end (a 0.5% share in total liabilities). **Deferred tax liabilities** amounted to EUR 37.2 million, which was 21% more than at the 2014 year-end, and accounted for 1.0% of the balance sheet total. **Other liabilities** went down by 3% to EUR 63.5 million nominally and accounted for 1.7% of total liabilities.

Liabilities arising from non-current assets held for sale were formed in the amount of EUR 39.6 million and were 1% higher over the 2014 year-end.

As at 31 March 2015, **financial assets** equalled EUR 2,981.8 million, which represented a 14% increase compared to the 2014 year-end. Their share in total assets grew by 0.7 percentage point and reached 80.7%. Unit-linked insurance assets amounted to EUR 504.2 million (index

108) and financial investments to EUR 2,477.6 million (index 115). In total financial investments, EUR 141.0 million (index 108) was accounted for by deposits and loans, EUR 268.6 million (index 128) by held-to-maturity assets, EUR 1,708.7 million (index 106) by available-for-sale assets and EUR 359.4 million (index 176) by assets recognised at a fair value through profit or loss. The structure of financial assets is discussed in greater detail under *Section 4.3.6*.

Financial investments in associates amounted to EUR 9.9 million, having decreased by 5% (a 0.3% share in total assets). The decline in these investments is the result of an increase in the equity stake and the acquisition of Skupna pokojninska družba and the new associated company Izletnik Celje.

Investment property stood at EUR 95.9 million, which dropped by 9% compared to 31 December 2014 and represented 2.6% of total assets. Investment property is discussed in greater detail in *Section 4.3.5*.

Receivables and deferred tax assets increased by 14% to EUR 231.1 million (a 6.3% share), of which receivables from direct insurance operations accounted for the bulk, totalling EUR 116.4 million (index 135). Receivables from co-insurance and reinsurance operations reached EUR 46.2 million (index 111), other receivables stood at EUR 49.4 million (index 95) and current tax receivables at EUR 1.8 million (index 99). Deferred tax assets amounted to EUR 17.3 million (index 85).

Insurance technical provisions transferred to reinsurance contracts stood at EUR 80.5 million, having increased by 13% compared to the 2014 year-end. Assets from reinsurance contracts from claims provisions totalled EUR 53.3 million, while unearned premium equalled EUR 27.3 million.

Property, plant and equipment amounted to EUR 123.0 million (index 99), representing 3.3% of total assets. **Intangible assets** increased by 7% to EUR 77.1 million, accounting for 2.1% of total assets.

Cash and cash equivalents equalled EUR 37.5 million (index 164), whilst **other assets** totalled EUR 11.4 million (index 134).

Non-current assets held for sale amounted to EUR 48.0 million, having increased by 18% compared to the 2014 year-end. The increase is the result of transferring the value of the land plot, for which a sales agreement was already concluded, from the investment property item to this item.

Table: Individual items in the consolidated balance sheet of the Triglav Group as at 31 March 2015

	in EUR		
	31 March 2015	31 December 2014	Index
Assets			
Intangible assets	77,060,826	71,770,468	107
Property, plant and equipment	123,011,970	123,668,545	99
Investment property	95,936,861	104,861,479	91
Investments in associates	9,891,417	10,371,335	95
Financial assets	2,981,817,493	2,619,376,329	114
Reinsurers' share of insurance technical provisions	80,528,400	71,147,717	113
Assets from financial contracts	0	0	
Receivables and deferred tax receivables	231,113,459	202,282,704	114
Other assets	11,361,871	8,469,465	134
Cash and cash equivalents	37,497,193	22,858,388	164
Non-current assets held for sale	48,007,475	40,621,574	118
Total assets	3,696,226,965	3,275,428,004	113
Equity and liabilities			
Equity	747,607,644	688,140,771	109
Subordinated liabilities	27,811,325	28,065,416	99
Insurance technical provisions	2,176,342,836	1,874,756,014	116
Insurance technical provisions for unit-linked insurance contracts	499,246,614	458,899,160	109
Other provisions	19,210,888	16,212,456	118
Deferred tax liabilities	37,234,041	30,752,195	121
Liabilities from financial contracts	0	0	
Other financial liabilities	18,520,446	15,084,019	123
Operating liabilities	67,121,334	58,533,223	115
Other liabilities	63,489,338	65,641,719	97
Liabilities arising from long-term assets held for sale	39,642,499	39,343,031	101
Total equity and liabilities	3,696,226,965	3,275,428,004	113

5.2 Zavarovalnica Triglav

5.2.1 Financial result

In the first three months of 2015, Zavarovalnica Triglav posted a **net profit of EUR 20.2 million** or 6% more than in the same period last year. **Profit before tax** amounted to EUR 25.5 million or 13% more than in 2014.

Despite fierce competition and an extreme loss event, Zavarovalnica Triglav earned a net profit of EUR 20.2 million.

Net premiums earned decreased by 2% to EUR 127.5 million compared to the preceding year. Net premium earned from non-life insurance decreased by 5%, whilst those earned from life insurance increased by 4%. Gross written premium from reinsurance and co-insurance operations totalled EUR 28.0 million, representing a 6% increase over 2014. Gross unearned premium amounted to EUR 19.1 million, which was 19% less compared to the previous year.

In the reporting period, **net claims incurred** were disclosed at EUR 92.0 million, which represented a 9% decrease compared to the preceding year. In non-life insurance net claims incurred fell by 20%, mainly due to lower claims provisions. Net claims incurred from life insurance went up by 8%. The reinsurers' and co-insurers' shares in gross claims increased by 4% and totalled EUR 5.2 million. In the first three months of 2015, net claims provisions were

down by EUR 221 thousand, whereas in the respective period of 2014 they grew by EUR 7.9 million.

Operating expenses (acquisition costs and other operating expenses) amounted to EUR 32.3 million and were 1% higher than in the respective period in 2014. Acquisition costs totalled EUR 23.4 million (index 102), whereas other operating expenses amounted to EUR 8.9 million (index 98).

Income from financial assets rose by 89% and totalled EUR 90.7 million, of which non-life insurance accounted for EUR 11.0 million (index 101) and life insurance for EUR 79.8 million (index 214). Income from financial assets in associates climbed by 78% to EUR 1.0 million and income from other financial assets increased by 18% to EUR 44.2 million. A high increase was seen in net unrealised gains on unit-linked life insurance assets, amounting to EUR 45.6 million (index 456). **Financial expenses** equalled EUR 15.8 million or 4% less than in 2014. Expenses from financial assets in associates totalled only EUR 21 thousand, expenses from other financial assets were up by 99% to EUR 15.2 million and net unrealised losses on unit-linked life insurance assets reached EUR 579 thousand (2014: EUR 8.9 million). There were no permanent impairments in the first three months of 2015.

Return on investment (excluding unit-linked insurance contract investments) represents the difference between income and expenses from financial assets. It amounted to EUR 29.9 million and was by 2% lower than in the preceding year, which was primarily a result of lower net interest income and minor effect of changes in the fair value of financial instruments. Due to a decline in interest rates, in the first quarter of 2015 Zavarovalnica Triglav recorded a positive net effect arising from both changes in the fair value of financial instruments and profits generated in the sale of financial instruments, as the required return on investment remained at record-low levels. A high growth in other financial income (index 234) may be attributed to exchange differences.

Return on financial investments decreased by 2% in comparison to 2014.

Changes in other insurance technical provisions totalled EUR 16.7 million (index 189). Change in mathematical provisions amounted to EUR 16.1 million (index 188), while change in other provisions equalled EUR 609 thousand (index 224). **Change in insurance technical provisions for unit-linked insurance contracts** totalled EUR 38.2 million (compared to EUR –883 thousand in the previous year) due to an increase in the price of fund units. **Expenses for bonuses and discounts** amounted to EUR 2.0 million (index 67).

Other income from insurance operations decreased by 8% and totalled EUR 5.6 million, of which fee and commission income amounted to EUR 4.3 million (index 86). **Other income** of EUR 1.7 million also decreased by 8%. **Other insurance expenses** equalled EUR 2.5 million (index 86), whereas other expenses reached EUR 496 thousand (index 387).

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

	in EUR		
	Q1 2015	Q1 2014	Index
Net premium income	127,495,680	129,953,685	98
Income from financial assets	90,729,747	48,014,889	189
Other income from insurance operations	5,589,902	6,074,866	92
Other income	1,703,748	1,848,703	92
Net claims incurred	91,993,846	100,905,671	91
Change in other insurance technical provisions	16,688,895	8,837,395	189
Change in insurance technical provisions for unit-linked insurance contracts	38,173,027	-882,556	
Expenses for bonuses and discounts	1,961,809	2,927,967	67
Operating expenses	32,338,229	32,013,768	101
Expenses from financial assets and liabilities	15,810,057	16,534,836	96
Other insurance expenses	2,531,757	2,935,740	86
Other expenses	496,174	128,097	387
Profit/loss before tax	25,525,283	22,491,225	113
Income tax expense	5,275,654	3,354,640	157
Net profit/loss for the accounting period	20,249,629	19,136,585	106

5.2.2 Financial standing

The total **balance sheet** of Zavarovalnica Triglav as at 31 March 2015 stood at EUR 2,865.7 million or 5% more compared to the 2014 year-end.

The **total equity capital** as at the reporting date increased by 6% to EUR 579.2 million over the 2014 year-end. The share of equity in total liabilities increased by 0.2 percentage point to 20.2%. The share capital of EUR 73.7 million remained unchanged and was divided into 22,735,148 ordinary shares.

The total equity capital increased by 6% compared to the 2014 year-end.

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 the increase in the value of available-for-sale financial assets, revaluation surplus rose by 17% and totalled EUR 85.8 million. As at the reporting date, accumulated profit for the period was EUR 84.3 million (index 137), including net profit for the period of EUR 20.2 million (index 88) and net profit brought forward of EUR 64.1 million (index 166).

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** rose by 5% to EUR 2,158.9 million. In the balance sheet total, their share decreased by 0.4 percentage points compared to the 2014 year-end, from 75.7% to 75.3%. Gross insurance technical provisions are discussed in greater detail in *Section 4.4.5*.

Financial liabilities as at 31 March 2015 totalled EUR 3.7 million or 117% more than as at 31 December 2014. The increase in liabilities was primarily the result of purchases of securities arising from cash settlements not yet executed in the accounting period, representing 0.1% of total balance sheet liabilities.

Operating liabilities as at the reporting date totalled EUR 32.8 million, having increased by 27% over the 2014 year-end. They accounted for 1.1% of total balance sheet liabilities, a 0.2 percentage point increase over the 2014 year-end. Liabilities from direct insurance operations grew by 2% to EUR 10.8 million. In addition, liabilities from co-insurance and reinsurance

operations rose by 44% to EUR 15.0 million. Current tax liabilities equalled EUR 6.9 million (index 144).

Other provisions amounted to EUR 10.0 million and were up by 1% over the 2014 year-end. **Deferred tax liabilities** amounted to EUR 20.6 million (index 159). **Other liabilities** went down by 17% to EUR 30.7 million nominally and accounted for 1.1% of total liabilities.

As at 31 March 2015, **financial assets** equalled EUR 2,314.5 million, which represented a 3% increase compared to the 2014 year-end. Their share in total assets went down by 1.6 percentage points and reached 80.8%. Unit-linked insurance assets amounted to EUR 486.0 million and financial investments to EUR 1,828.5 million. In total financial investments, EUR 79.0 million was accounted for by deposits and loans, EUR 185.6 million by held-to-maturity assets, EUR 1,367.3 million by available-for-sale assets and EUR 196.6 million by assets recognised at a 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 increased by 8%, reaching EUR 155.1 million. They accounted for 5.4% of total assets. Financial investments in subsidiaries went up by 11% and totalled EUR 148.0 million, whilst financial investments in associates amounted to EUR 7.1 million, having decreased by 32%. The increase in the equity stake and the takeover of Skupna pokojninska družba increased financial investments in subsidiaries, consequently decreasing financial investments in associates.

Investment property stood at EUR 37.9 million and represented 1.3% of total assets, thus remaining at approximately the same level as at the 2014 year-end (index 100).

Receivables and deferred tax receivables increased by 42% to EUR 134.9 million (a 4.7% share), of which receivables from direct insurance operations accounted for the bulk, totalling EUR 88.3 million (index 144). Receivables from reinsurance and co-insurance operations reached EUR 6.4 million (index 96), whereas other receivables stood at EUR 40.1 million (index 151). There were no deferred tax receivables in the first three months of 2015.

Insurance technical provisions transferred to reinsurance contracts stood at EUR 85.1 million, having increased by 13% compared to the 2014 year-end. Assets from reinsurance contracts from claims provisions totalled EUR 58.9 million (index 96), while those from unearned premium equalled EUR 26.2 million (index 186).

Property, plant and equipment amounted to EUR 64.5 million (index 99), representing 2.3% of total assets. **Intangible assets** equalled EUR 59.4 million (index 109), accounting for 2.1% of total assets.

Cash and cash equivalents equalled EUR 10.6 million (index 188), whilst **other assets** totalled EUR 3.7 million (index 106).

Table: Individual items in the balance sheet of Zavarovalnica Triglav as at 31 March 2015

	in EUR		
	31 March 2015	31 December 2014	Index
Assets			
Intangible assets	59,403,727	54,373,723	109
Property, plant and equipment	64,515,003	65,143,015	99
Investment property	37,934,306	37,972,458	100
Investments in subsidiaries and associates	155,063,647	144,226,398	108
Financial assets	2,314,543,948	2,240,384,294	103
Reinsurers' share of insurance technical provisions	85,109,616	75,325,351	113
Receivables and deferred tax receivables	134,864,353	94,732,452	142
Other assets	3,657,722	3,458,592	106
Cash and cash equivalents	10,649,725	5,650,669	188
Total assets	2,865,742,046	2,721,266,951	105
Equity and liabilities			
Equity	579,209,249	544,000,468	106
Subordinated liabilities	29,960,495	29,958,540	100
Insurance technical provisions	1,677,738,684	1,617,090,395	104
Insurance technical provisions for unit-linked insurance contracts	481,125,476	442,952,449	109
Other provisions	9,954,021	9,807,734	101
Deferred tax liabilities	20,610,303	12,973,041	159
Other financial liabilities	3,682,373	1,693,909	217
Operating liabilities	32,775,978	25,833,367	127
Other liabilities	30,685,467	36,957,048	83
Total equity and liabilities	2,865,742,046	2,721,266,951	105

6. RISK MANAGEMENT

6.1 Risk management in the first quarter of 2015

The situation on financial markets has indicated for some time now that the debt crisis in the EU Member States (hereinafter: the EU) is easing and that the markets are focusing on recovery. The EU stock markets continued to grow from the previous year, many stock indices even surpassed their historical record highs. On the bond market, required returns on the bonds of EU states reached record low levels. Several economic indicators also showed further growth of the economic activity. This was mainly contributed by the actions taken by the European Central Bank (hereinafter: the ECB) but also the Member States that implemented or are in the process of implementing numerous reforms.

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

In the first three months of 2015, the financial risks significantly changed, the greatest impact on this again had central banks around the world. At the beginning of the year, the ECB for the first time announced the start of quantitative easing or buying bonds. The buying began in March and will last until September 2016. Around EUR 60 billion of securities will be bought on a monthly basis, which will amount to around EUR 1,100 billion in total. With this measure, the ECB wants to prevent deflation in the euro area. To further stimulate lending and economic growth, the ECB kept interest rates unchanged (as shown in the graph in *Section 6.2*). As the economic indicators deteriorated and the US dollar remained strong, the FED ensured that it was in no rush to start raising interest rates, which had a positive impact on the markets. Significantly lower oil prices also positively impacted the economies. The first quarter was further marked by the situation on the currency market. The Swiss central bank unpegged the franc from the euro, which resulted in a stronger franc. The euro depreciation trend has continued from the previous year and further accelerated this year, so that the euro has been gradually approaching parity with the US dollar.

In terms of geopolitical risks, which have been high for quite some time now, the reporting period was marked the most by the Greek elections that brought a new government into power. Supposedly the new government was less inclined to carry out reforms and repay debts, which again brought some uncertainty to European financial markets. The government entered into new negotiations on reforms and debt with the creditors. Lower geopolitical risks resulted from a ceasefire agreement between Russia and Ukraine. In the reporting period, Slovenia continued to carry out reforms, the privatisation process and fiscal consolidation.

In 2014 and early 2015, the leading credit rating agencies retained the rating of Slovenia. Slovenia was re-assigned an "A-" credit rating with a stable 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. Already in 2014, Fitch Ratings maintained the credit rating "BBB+" and changed a negative outlook to stable. 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 adequate asset and liability structure. In the reporting period, exposure to Slovene government bonds showed a positive impact on return of Triglav's portfolios, which was a result of lower required return on all EU government bonds and quantitative easing by the ECB. Nevertheless,

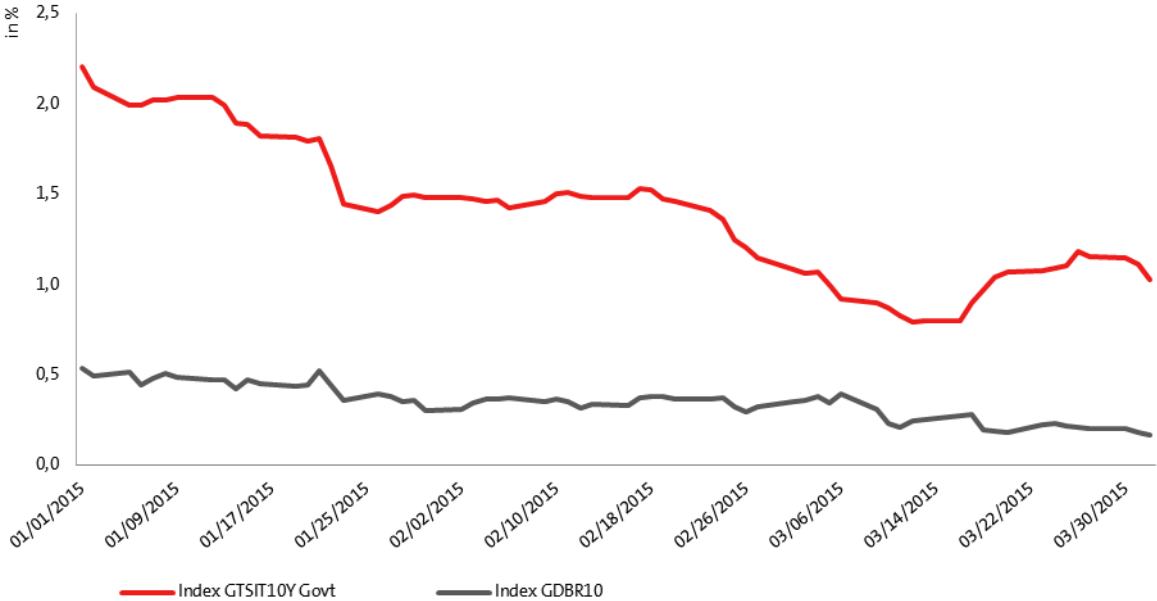
in 2015 the Company has continued to carefully monitor the exposure to debt securities of the problematic countries in the euro area. Despite the fact that the conditions on the markets stabilised, the Company continues to monitor their effects on the balanced asset and liability structure, adapting 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, the relevant software was 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 quarter of 2015 and the near future

In Q1 2015, the trend from the 2014 continued, when the required returns on government bonds issued in the EU states began to decrease. The required return on Slovene bonds also dropped. The reasons laid in the implementation of reforms in Slovenia, improved economic indicators throughout the entire euro area and the ECB's monetary policy.

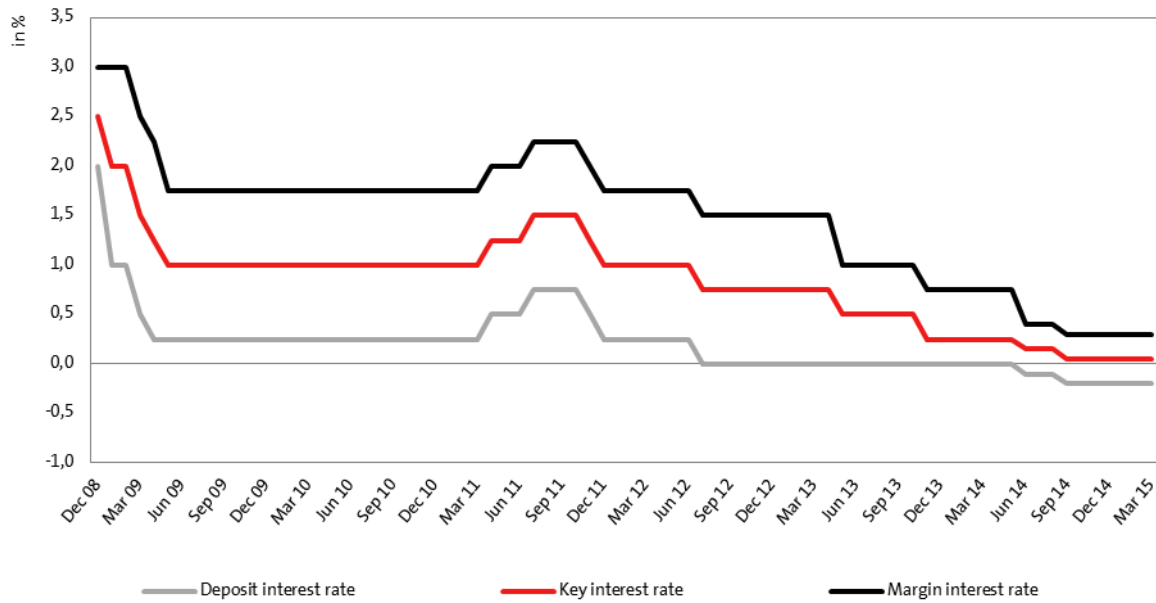
Graph: Generic indexes of required returns on ten-year Slovene bonds (GTSIT) and German bonds (GDBR) in Q1 2015



Source: Bloomberg

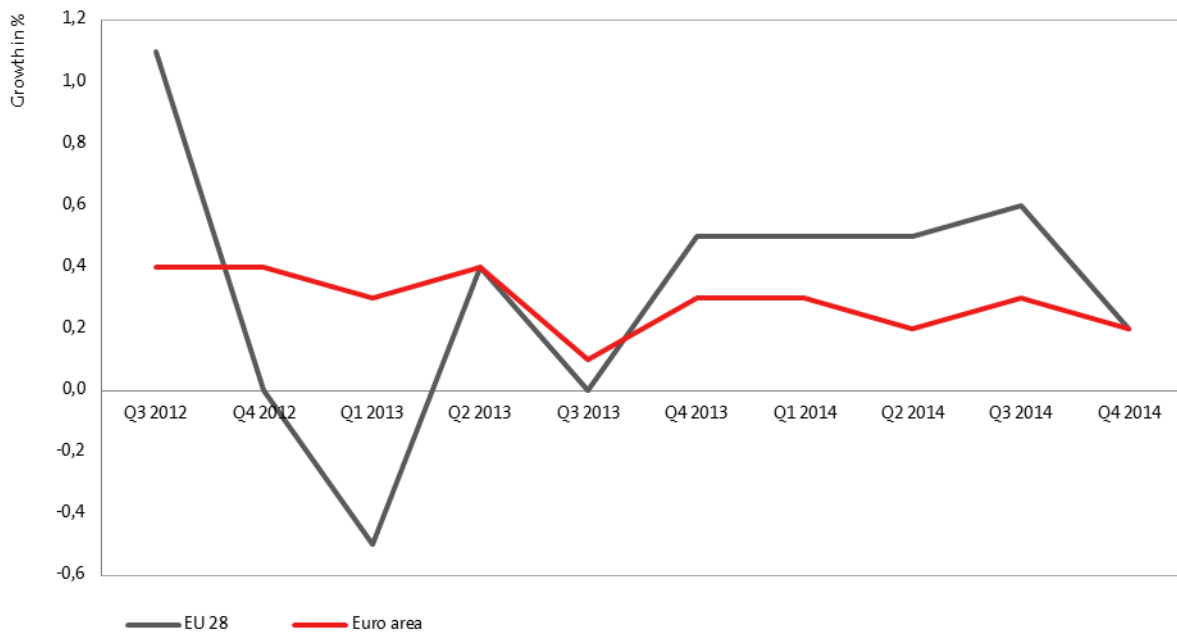
One of the key risks to which the Company is exposed is low interest rates. With the onset of the debt crisis, the prices of high-quality bonds rose sharply, consequently lowering the return on such securities, which represent the bulk of the portfolio of insurance companies. The start of ECB's quantitative easing in the first three months of 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. 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

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



Source: Eurostat

After bank restructuring and successful completion of implemented reforms, the investment risks in Slovenia decreased, whilst the successful performance of the new 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.

In Slovenia and at the EU level, further growth is expected in 2015. It will, however remain relatively low. A possible reduction in the deflation risk and a low long-term economic growth of the EU will be most affected by the performance of the ECB's quantitative easing, which will

The highest risks in the near future represent low interest rates, geopolitical and macroeconomic risks and fiscal imbalances.

be revealed already in the near future. By now, the banking systems have been successfully stabilised, as shown by the results of many stress tests.

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 also be significantly 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.

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 assets backing liabilities, capital management and capital adequacy management, including the adequacy of the reinsurance scheme.

6.3 Internal audit

In the first quarter of 2015, the Internal Audit Department complied with its annual and operational work programme. It conducted 5 internal audits of various divisions in Zavarovalnica Triglav. The findings were reported to the management of the audited divisions and to 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 31 March 2015, there were 5,519 employees in the Triglav Group, which is 113 more than at the 2014 year-end due to the internal sales network strengthening in Triglav Osiguranje, Belgrade, the acquisition of Skupna pokojninska družba and increased number of staff in TRI-LIFE, Zagreb and TRI-PRO BH, Sarajevo.

Table: Number of employees in the Triglav Group as at 31 March 2015

Subsidiaries of the Triglav Group	Number of employees		Difference
	31 March 2015	31 December 2014	2015-2014
Zavarovalnica Triglav d.d., Ljubljana	2,359	2,365	-6
Pozavarovalnica Triglav Re d.d., Ljubljana	45	45	0
Triglav, Zdravstvena zavarovalnica d.d., Koper	84	84	0
Skupna pokojninska družba d.d., Ljubljana	16		16
Triglav Osiguranje d.d., Zagreb	512	507	5
Triglav Osiguranje d.d., Sarajevo	246	246	0
Triglav Pojišt' ovna a.s., Brno	127	126	1
Lovćen Osiguranje a.d., Podgorica	267	271	-4
Triglav Osiguranje a.d.o., Belgrade	520	460	60
Triglav Osiguranje a.d., Banja Luka	78	78	0
Triglav Osiguruvanje a.d., Skopje	252	256	-4
Lovćen životna osiguranja a.d., Podgorica	14	14	0
Triglav Skladi d.o.o., Ljubljana	43	43	0
Triglav Avtoservis d.o.o., Ljubljana	27	28	-1
Triglav Svetovanje d.o.o., Domžale	73	74	-1
Triglav Naložbe d.d., Ljubljana	5	5	0
Slovenijales d.d., Ljubljana	125	125	0
Golf Arboretum d.o.o., Volčji potok	10	10	0
Triglav, Upravljanje nepremičnin d.d., Ljubljana	22	22	0
TRI-LIFE d.o.o., Zagreb	22	1	21
TRI-PRO BH d.o.o., Sarajevo	41	25	16
Unis automobili i dijelovi d.o.o., Sarajevo	32	29	3
Autocentar BH d.o.o., Sarajevo	53	52	1
Triglav INT d.d., Ljubljana	25	21	4
Sarajevostan d.d., Sarajevo	121	122	-1
Triglav Auto d.o.o., Banja Luka			0
Lovćen Auto a.d., Podgorica	103	104	-1
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	46	46	0
Integral Stojna Kočevje d.o.o., Kočevje	27	26	1
Alptours d.o.o., Bovec			0
Total	5,519	5,406	113

7.2 Educational structure of employees

In comparison with 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, while the share of employees with secondary education declined.

Table: Employees of the Triglav Group as at 31 March 2015 and 31 December 2014 – structure by educational level

Level of education	Employees as at 31 March 2015		Employees as at 31 December 2014	
	Number	Percentage	Number	Percentage
Level I-IV	1,431	25.9%	1,401	25.9%
Level V	1,549	28.1%	1,552	28.7%
Level VI	620	11.2%	593	11.0%
Level VII	1,732	31.4%	1,676	31.0%
Masters and PhD	187	3.4%	184	3.4%
Total	5,519	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 31 March 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 31 March 2015 in accordance with International Financial Reporting Standards as adopted by the EU.

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 31 March 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, 13 May 2015

FINANCIAL OVERVIEW

Unaudited Financial Statements of Zavarovalnica Triglav d.d. and the Triglav Group and the Notes for the Period from 1 January 2015 to 31 March 2015

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1. FINANCIAL STATEMENTS

in EUR

STATEMENT OF FINANCIAL POSITION	Zavarovalnica Triglav		Triglav Group	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
ASSETS	2,865,742,046	2,721,266,951	3,696,226,965	3,275,428,004
Intangible assets	59,403,727	54,373,723	77,060,826	71,770,468
Property, plant and equipment	64,515,003	65,143,015	123,011,970	123,668,545
Deferred tax receivables	0	0	17,318,643	20,472,194
Investment property	37,934,306	37,972,458	95,936,861	104,861,479
Investments in subsidiaries	147,991,099	133,799,162	0	0
Investments in associates	7,072,548	10,427,235	9,891,417	10,371,335
Financial assets	2,314,543,948	2,240,384,294	2,981,817,493	2,619,376,329
Financial investments:	1,828,540,442	1,790,581,523	2,477,617,932	2,153,588,590
- loans and deposits	79,022,086	104,531,182	140,965,843	130,037,423
- held to maturity	185,602,069	186,136,258	268,550,755	210,604,128
- available for sale	1,367,348,915	1,299,415,074	1,708,689,134	1,608,664,995
- recognised at fair value through profit and loss	196,567,372	200,499,009	359,412,200	204,282,044
Unit-linked insurance assets	486,003,506	449,802,771	504,199,561	465,787,739
Reinsurers' share of technical provisions	85,109,616	75,325,351	80,528,400	71,147,717
Assets from investment contracts	0	0	0	0
Receivables	134,864,353	94,732,452	213,794,816	181,810,510
- receivables from direct insurance operations	88,334,381	61,527,739	116,401,356	86,414,518
- receivables from reinsurance and co-insurance operations	6,438,625	6,689,625	46,170,193	41,461,923
- current tax receivables	0	0	1,808,307	1,819,015
- other receivables	40,091,347	26,515,088	49,414,960	52,115,054
Other assets	3,657,721	3,458,592	11,361,871	8,469,465
Cash and cash equivalents	10,649,725	5,650,669	37,497,193	22,858,388
Non-current assets held for sale	0	0	48,007,475	40,621,574
EQUITY AND LIABILITIES	2,865,742,046	2,721,266,951	3,696,226,965	3,275,428,004
Equity	579,209,249	544,000,468	747,607,644	688,140,771
Controlling interests	579,209,249	544,000,468	736,391,637	681,412,161
- share capital	73,701,392	73,701,392	73,701,392	73,701,392
- share premium	53,412,885	53,412,885	57,031,113	56,908,216
- reserves from profit	281,977,925	281,977,925	299,862,635	299,731,039
- treasury share reserves	0	0	452,880	452,880
- treasury shares	0	0	-452,880	-452,880
- fair value reserve	85,793,396	73,221,229	118,776,535	94,940,029
- net profit brought forward	64,074,022	38,565,461	159,471,397	96,705,983
- net profit for the year	20,249,629	23,121,576	30,796,098	62,769,801
- currency translation differences	0	0	-4,461,791	-4,558,557
- reserve of disposal group held for sale	0	0	1,214,258	1,214,258
Non-controlling interests	0	0	11,216,007	6,728,610
Subordinated liabilities	29,960,495	29,958,540	27,811,325	28,065,416
Insurance technical provisions	1,677,738,684	1,617,090,395	2,176,342,836	1,874,756,014
- unearned premiums	219,315,398	182,902,536	289,918,880	245,995,733
- mathematical provisions	931,087,959	904,858,200	1,215,000,375	954,072,939
- claims provisions	506,450,649	508,999,132	645,462,920	648,827,459
- other insurance technical provisions	20,884,678	20,330,527	25,960,661	25,859,883
Insurance technical provisions for unit-linked insurance contracts	481,125,476	442,952,449	499,246,614	458,899,160
Employee benefits	9,504,128	9,408,654	12,402,134	12,265,582
Other provisions	449,893	399,080	6,808,754	3,946,874
Deferred tax liabilities	20,610,303	12,973,041	37,234,041	30,752,195
Liabilities from investment contracts	0	0	0	0
Other financial liabilities	3,682,373	1,693,909	18,520,446	15,084,019
Operating liabilities	32,775,978	25,833,367	67,121,334	58,533,223
- liabilities from direct insurance operations	10,833,685	10,631,800	14,265,209	15,644,384
- liabilities from reinsurance and co-insurance operations	15,018,779	10,406,511	44,800,580	36,341,671
- current tax liabilities	6,923,514	4,795,056	8,055,545	6,547,168
Other liabilities	30,685,467	36,957,048	63,489,338	65,641,719
Non-current liabilities held for sale and discontinued operations	0	0	39,642,499	39,343,031

in EUR

INCOME STATEMENT	Zavarovnica Triglav		Triglav Group	
	Q1 2015	Q1 2014	Q1 2015	Q1 2014
NET PREMIUM INCOME	127,495,680	129,953,685	204,589,296	200,714,576
- gross written premium	174,625,239	179,983,206	260,094,674	256,149,085
- ceded written premium	-27,989,935	-26,453,993	-28,747,170	-28,546,015
- change in unearned premium reserve	-19,139,624	-23,575,528	-26,758,208	-26,888,494
INCOME FROM FINANCIAL ASSETS	90,729,747	48,014,889	113,452,609	53,561,097
INCOME FROM FINANCIAL ASSETS IN SUBSIDIARIES AND ASSOCIATES	991,178	557,504	3,265,857	60,177
- profit on equity investments accounted for using the equity method	0	0	744,649	60,177
- interest income	991,071	555,397	1	0
- dividends	0	0	0	0
- fair value gains	0	0	67,857	0
- realised gains on disposals	0	0	2,453,243	0
- other financial income	107	2,107	107	0
INCOME FROM OTHER FINANCIAL ASSETS	44,152,217	37,458,258	62,736,841	43,056,690
- interest income	13,429,255	14,493,495	19,930,243	18,034,791
- dividends	120,474	124,029	120,474	124,029
- fair value gains	13,733,919	9,145,524	22,294,201	9,312,181
- realised gains on disposals	13,848,821	12,405,871	14,884,177	13,137,145
- other financial income	3,019,748	1,289,339	5,507,746	2,448,544
NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS	45,586,352	9,999,127	47,449,911	10,444,230
OTHER INCOME FROM INSURANCE OPERATIONS	5,589,902	6,074,866	3,551,920	4,189,017
- fees and commission income	4,290,585	5,013,917	2,269,519	3,066,821
- other income from insurance operations	1,299,317	1,060,949	1,282,401	1,122,196
OTHER INCOME	1,703,748	1,848,703	18,867,746	18,910,582
NET CLAIMS INCURRED	91,993,846	100,905,671	144,046,701	149,934,835
- gross claims settled	97,450,935	98,020,478	148,826,374	145,380,737
- reinsurers' share	-5,236,405	-5,055,051	-5,091,102	-4,797,684
- changes in claims provisions	-220,684	7,940,244	-1,280,530	7,448,872
- equalisation scheme expenses for supplementary health insurance	0	0	1,591,959	1,902,910
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	16,688,895	8,837,395	26,420,690	9,593,602
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	38,173,027	-882,556	40,310,246	-658,109
EXPENSES FOR BONUSES AND DISCOUNTS	1,961,809	2,927,967	2,529,957	3,206,599
CHANGE IN FINANCIAL CONTRACT LIABILITIES	0	0	0	0
OPERATING EXPENSES	32,338,229	32,013,768	46,955,315	45,633,953
- acquisition costs	23,426,630	22,930,004	31,475,938	30,037,677
- other operating costs	8,911,599	9,083,764	15,479,377	15,596,276
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	15,810,057	16,534,836	21,495,729	19,077,622
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN SUBSIDIARIES AND ASSOCIATES	20,772	815	84,094	1,125,882
- loss on investments accounted for using the equity method	0	0	63,322	1,125,882
- interest expense	0	0	0	0
- fair value losses	0	0	0	0
- realised loss on disposals	0	0	0	0
- loss on impairment of financial assets	0	0	0	0
- other expenses from financial assets and liabilities	20,772	815	20,772	0
EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES	15,210,275	7,643,009	20,814,781	8,616,095
- interest expense	449,910	456,543	494,653	737,108
- fair value losses	9,130,472	1,247,231	11,060,734	1,281,104
- realised loss on disposals	4,104,018	3,898,523	4,247,162	3,899,793
- loss on impairment of financial assets	0	0	21,076	40,285
- other expenses from financial assets and liabilities	1,525,875	2,040,712	4,991,156	2,657,805
NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS	579,010	8,891,012	596,854	9,335,645
OTHER INSURANCE EXPENSES	2,531,757	2,935,740	5,081,439	5,787,040
OTHER EXPENSES	496,174	128,097	16,411,284	15,614,233
PROFIT BEFORE TAX	25,525,283	22,491,225	37,210,210	29,185,497
Income tax expense	5,275,654	3,354,640	6,136,774	3,626,718
NET PROFIT FOR THE PERIOD	20,249,629	19,136,585	31,073,436	25,558,779
Earnings per share (basic and diluted)	0.89	0.84		
Net profit / loss attributable to the controlling company			30,923,307	25,433,231
Net profit / loss attributable to non-controlling interest holders			150,129	125,548

in EUR

STATEMENT OF OTHER COMPREHENSIVE INCOME	Zavarovalnica Triglav		Triglav Group	
	Q1 2015	Q1 2014	Q1 2015	Q1 2014
I. NET PROFIT / LOSS FOR THE PERIOD AFTER TAX	20,249,629	19,136,585	31,073,436	25,558,779
II. OTHER COMPREHENSIVE INCOME AFTER TAX	12,572,167	17,554,152	24,287,819	24,120,753
a) Items which will not be transferred in P&L in future periods	0	0	0	0
b) Items which could be transferred into P&L in future periods	12,572,167	17,554,152	24,287,819	24,120,753
Fair value gains/losses on available-for-sale financial assets	27,253,145	33,033,382	40,544,224	39,964,221
- net gains/losses recognized directly in equity	31,918,061	43,238,019	45,537,310	49,999,480
- transfers from equity to income statement	-4,664,916	-10,204,637	-4,993,086	-10,035,259
Fair value gains / losses on non-current assets held for sale	0	0	988,802	0
Share of OCI of entities accounted for using the equity method	0	0	-57,873	858,309
Liabilities from insurance contracts with DPF	-10,100,549	-10,037,687	-10,100,549	-10,037,687
Currency translation differences	0	0	99,638	-112,380
Tax on other comprehensive income	-4,580,429	-5,441,543	-6,197,621	-6,551,710
III. COMPREHENSIVE INCOME FOR THE PERIOD AFTER TAX	32,821,796	36,690,737	55,361,255	49,679,532
Controlling interest	0	0	54,856,578	49,424,489
Non-controlling interest	0	0	504,675	255,043

STATEMENT OF CHANGES IN EQUITY OF ZAVAROVALNICA TRIGLAV, D.D. FOR THE PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 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	53,412,885	4,662,643	30,615,282	246,700,000	73,221,229	38,565,461	23,121,576	544,000,468	
Comprehensive income for the period from 1 January 2015 to 31 March 2015	0	0	0	0	0	12,572,167	0	20,249,629	32,821,796	
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	2,386,985	0	2,386,985	
CLOSING BALANCE FOR THE PERIOD	73,701,392	53,412,885	4,662,643	30,615,282	246,700,000	85,793,396	64,074,022	20,249,629	579,209,249	

STATEMENT OF CHANGES IN EQUITY OF ZAVAROVALNICA TRIGLAV, D.D. FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 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	53,412,885	4,662,643	30,624,276	224,200,000	35,362,843	52,735,702	25,090,469	499,790,210	
Comprehensive income for the period from 1 January 2014 to 31 March 2014	0	0	0	0	0	17,554,152	0	19,136,580	36,690,730	
Allocation to net profit/loss brought forward	0	0	0	0	0	0	25,090,469	-25,090,469	0	
CLOSING BALANCE FOR THE PERIOD	73,701,392	53,412,885	4,662,643	30,624,276	224,200,000	52,916,995	77,826,170	19,136,580	536,480,940	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2015	Reserves from profit													in EUR		
	Share capital	Share premium	Contingency reserves	Treasury share reserves	Legal and statutory reserves	Credit risk reserves	Other reserves from 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	94,940,029	1,214,258	96,705,983	62,769,801	-452,880	-4,558,557	681,412,161	6,728,610	688,140,771
Comprehensive income for the period from 1 January 2015 to 31 March 2015	0	0	0	0	0	0	0	23,836,506	0	0	30,923,307	0	96,766	54,856,577	504,677	55,361,254
Treasury share reserve formation from other equity items	0	0	0	0	4,387	0	0	0	0	-4,387	0	0	0	0	0	0
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 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
Changes in consolidation area	0	122,898	0	0	0	0	0	0	0	0	0	0	0	122,898	-36,044	86,856
External acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,018,765	4,018,764
CLOSING BALANCE FOR THE PERIOD	73,701,392	57,031,113	584,478	452,880	20,019,247	32,558,909	246,700,001	118,776,535	1,214,258	159,471,397	30,796,098	-452,880	-4,461,791	736,391,637	11,216,007	747,607,644

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2014	Reserves from profit															in EUR
	Share capital	Share premium	Contingency reserves	Treasury share reserves	Legal and statutory reserves	Credit risk reserves	Other reserves from profit	Fair value reserve	Net profit/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	224,200,001	44,605,435	90,083,115	46,213,508	-452,880	-3,833,225	584,314,878	6,222,580	590,537,458	
Comprehensive income for the period from 1 January 2014 to 31 March 2014	0	0	0	0	0	0	0	24,104,815	2	25,433,231	0	-113,559	49,424,489	255,043	49,679,532	
Treasury share reserve formation from other equity items	0	0	0	0	109,319	0	0	0	-109,319	0	0	0	0	0	0	
Allocation and use of reserves for credit risk	0	0	0	0	0	86,425	0	0	0	-86,425	0	0	0	0	0	
Allocation to net profit/loss brought forward	0	0	0	0	0	0	0	0	46,213,507	-46,213,508	0	0	0	0	0	
Recognition of reserves resulting from intragroup transactions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CLOSING BALANCE FOR THE PERIOD	73,701,392	56,866,194	534,366	452,880	19,739,930	32,399,910	224,200,001	68,710,250	136,187,305	25,346,806	-452,880	-3,946,784	633,739,366	6,477,623	640,216,989	

in EUR

CASH FLOW STATEMENT	Zavarovalnica Triglav		Triglav Group	
	Q1 2015	Q1 2014	Q1 2015	Q1 2014
A. OPERATING CASH FLOW				
Income statement items	26,760,949	29,530,164	43,417,017	40,446,607
Operating income(excluding revaluation) and financial ncome from operating receivables	151,542,083	156,581,785	269,593,470	260,194,974
Operating expenses excluding depreciation (except for revaluations) and financial expenses for operating liabilities	-122,652,382	-123,696,981	-223,196,022	-215,950,496
Corporate income tax and other taxes excluded from operating expenses	-2,128,752	-3,354,640	-2,980,431	-3,797,871
Changes in net current assets (and deferred items, provisions and deferred tax assets and liabilities) and in operating balance-sheet items	-22,788,060	-19,961,142	-31,220,690	-19,336,778
Movements in receivables and prepayments and accrued income	-26,173,475	-32,709,059	-49,486,698	-55,605,774
Movements in deferred tax assets	0	1,640,144	-167,079	1,270,230
Movements in inventories	-11,743	-5,609	-189,398	491,137
Movements in operating debts	4,508,746	11,168,291	13,977,266	23,257,898
Movements in accruals and deferred income and provisions	-1,111,588	-54,909	3,459,786	4,321,618
Movements in deferred tax liabilities	0	0	1,185,433	6,928,113
OPERATING CASH FLOW	3,972,890	9,569,022	12,196,327	21,109,829
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Cash inflows from investing activities	456,182,395	659,276,068	562,198,506	778,042,570
Cash inflows from interest received and profit sharing arising from investing activities	21,446,252	23,199,416	25,600,119	26,523,738
Income from dividends and profit sharing	117,056	123,984	317,057	223,984
Cash inflows from the disposal of intangible assets	0	0	0	0
Cash inflows from the disposal of property, plant and equipment	26,547	100,807	90,280	408,159
Cash inflows from the disposal of financial investments	434,592,541	635,851,861	536,191,050	750,886,689
Cash inflows for the acquisition of financial investments in associates	0	0	0	0
Cash outflows from investing activities	-453,360,936	-662,713,642	-572,957,764	-796,827,981
Cash outflows for the purchase of intangible assets	-816,495	-521,459	-1,038,638	-577,403
Cash outflows for the purchase of property, plant and equipment	-536,957	-467,139	-2,226,834	-2,682,779
Cash outflows for the purchase of financial investments	-440,202,530	-661,725,044	-565,082,348	-793,567,799
Cash outflows for the acquisition of financial investments in associates	-11804954	0	-4,609,944	0
CASH FLOWS FROM INVESTING ACTIVITIES	2,821,459	-3,437,574	-10,759,258	-18,785,411
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Cash inflows from financing activities	0	0	678,550	1,652,689
Cash inflows from long-term loans received	0	0	664,250	0
Cash inflows from short-term loans received	0	0	14,300	1,652,689
Cash outflows from financing activities	-1,795,293	-1,800,851	-2,739,081	-5,192,364
Interest paid from financing activities	-1,785,000	-1,785,000	-1,785,000	-2,484,547
Cash outflows for payments of financial liabilities	0	0	-943,788	-2,691,966
Cash outflows from dividends paid and profit sharing	-10,293	-15,851	-10,293	-15,851
CASH FLOWS FROM FINANCING ACTIVITIES	-1,795,293	-1,800,851	-2,060,531	-3,539,675
D. Opening balance of cash and cash equivalents	5,650,669	5,000,081	22,858,388	29,068,558
E. Net cash flow for the period	4,999,056	4,330,597	-623,462	-1,215,257
Mergers and acquisitions	0	0	15,456,539	0
Foreign exchange differences	0	0	9,283	0
Transfer of cash to non-current assets held for sale	0	0	-203,555	0
F. Closing balance of cash and cash equivalents	10,649,725	9,330,678	37,497,193	27,796,332

2. SELECTED NOTES TO THE FINANCIAL STATEMENTS

2.1 Statement of compliance

The financial statements for the period from 1 January 2015 to 31 March 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 31 March 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 quarter of 2015. The tax expense calculation for the first quarter 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 quarter 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 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	31 March 2015			31 December 2014		
	Non-life	Life	TOTAL	Non-life	Life	TOTAL
ASSETS	1,290,513,127	1,592,753,109	2,883,266,236	1,227,775,291	1,514,954,061	2,742,729,352
Intangible assets	57,677,695	1,726,032	59,403,727	52,399,202	1,974,521	54,373,723
Property, plant and equipment	54,589,249	9,925,754	64,515,003	55,023,599	10,119,416	65,143,015
Deferred tax receivables	10,841,753	1,024,941	11,866,694	13,687,399	1,326,197	15,013,596
Investment property	36,618,994	1,315,312	37,934,306	36,650,566	1,321,892	37,972,458
Investments in subsidiaries	139,479,501	8,511,598	147,991,099	132,284,491	1,514,671	133,799,162
Investments in associates	0	7,072,548	7,072,548	0	10,427,235	10,427,235
Financial assets	761,859,488	1,552,684,460	2,314,543,948	766,880,684	1,473,503,610	2,240,384,294
Financial investments:	761,859,488	1,066,680,954	1,828,540,442	766,880,684	1,023,700,839	1,790,581,523
- loans and deposits	39,294,970	39,727,116	79,022,086	73,297,578	31,233,604	104,531,182
- held to maturity	0	185,602,069	185,602,069	0	186,136,258	186,136,258
- available for sale	712,149,965	655,198,950	1,367,348,915	682,592,871	616,822,203	1,299,415,074
- recognised at fair value through profit and loss	10,414,554	186,152,818	196,567,372	10,990,235	189,508,774	200,499,009
Unit-linked insurance assets	0	486,003,506	486,003,506	0	449,802,771	449,802,771
Reinsurers' share of technical provisions	84,629,483	480,133	85,109,616	75,232,980	92,371	75,325,351
Assets from investment contracts	0	0	0	0	0	0
Receivables	136,844,100	3,677,749	140,521,849	89,481,822	11,699,435	101,181,257
- receivables from direct insurance operations	87,857,422	476,959	88,334,381	61,078,223	449,516	61,527,739
- receivables from reinsurance and co-insurance operations	6,428,690	9,935	6,438,625	6,678,668	10,957	6,689,625
- current tax receivables	0	0	0	0	0	0
- other receivables	42,557,988	3,190,855	45,748,843	21,724,931	11,238,962	32,963,893
Other assets	3,654,677	3,044	3,657,721	3,455,548	3,044	3,458,592
Cash and cash equivalents	4,318,187	6,331,538	10,649,725	2,679,000	2,971,669	5,650,669
Non-current assets held for sale	0	0	0	0	0	0
LIABILITIES	1,290,513,127	1,592,753,109	2,883,266,236	1,227,775,291	1,514,954,061	2,742,729,352
Equity	460,608,819	118,600,431	579,209,249	436,494,943	107,505,525	544,000,468
Controlling interests	460,608,819	118,600,431	579,209,249	436,494,943	107,505,525	544,000,468
- 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	53,412,885	40,344,978	13,067,907	53,412,885
- reserves from profit	236,464,034	45,513,891	281,977,925	236,464,034	45,513,891	281,977,925
- treasury share reserves	0	0	0	0	0	0
- treasury shares	0	0	0	0	0	0
- fair value reserve	64,206,212	21,587,184	85,793,396	53,067,784	20,153,445	73,221,229
- net profit brought forward	55,277,607	8,796,415	64,074,022	38,565,461	0	38,565,461
- net profit for the year	12,975,448	7,274,181	20,249,629	16,712,146	6,409,430	23,121,576
- currency translation differences	0	0	0	0	0	0
- reserve of disposal group held for sale	0	0	0	0	0	0
Non-controlling interests	0	0	0	0	0	0
Subordinated liabilities	17,976,300	11,984,195	29,960,495	17,975,127	11,983,413	29,958,540
Insurance technical provisions	726,082,406	951,656,278	1,677,738,684	691,696,303	925,394,092	1,617,090,395
- unearned premiums	218,820,464	494,934	219,315,398	182,489,705	412,831	182,902,536
- mathematical provisions	0	931,087,959	931,087,959	0	904,858,200	904,858,200
- claims provisions	487,308,827	19,141,822	506,450,649	489,862,786	19,136,346	508,999,132
- other insurance technical provisions	19,953,115	931,563	20,884,678	19,343,812	986,715	20,330,527
Insurance technical provisions for unit-linked insurance contracts	0	481,125,476	481,125,476	0	442,952,449	442,952,449
Employee benefits	7,820,956	1,683,172	9,504,128	7,742,113	1,666,541	9,408,654
Other provisions	449,893	0	449,893	399,080	0	399,080
Deferred tax liabilities	18,451,636	14,025,361	32,476,997	16,170,272	11,816,365	27,986,637
Liabilities from investment contracts	0	0	0	0	0	0
Other financial liabilities	2,686,178	996,195	3,682,373	1,693,909	0	1,693,909
Operating liabilities	26,337,941	6,438,037	32,775,978	19,659,271	6,174,096	25,833,367
- liabilities from direct insurance operations	4,411,275	6,422,410	10,833,685	4,457,704	6,174,096	10,631,800
- liabilities from reinsurance and co-insurance operations	15,003,152	15,627	15,018,779	10,406,511	0	10,406,511
- current tax liabilities	6,923,514	0	6,923,514	4,795,056	0	4,795,056
Other liabilities	30,098,999	6,243,964	36,342,963	35,944,273	7,461,580	43,405,853
Non-current liabilities held for sale and discontinued operations	0	0	0	0	0	0

in EUR

INCOME STATEMENT OF ZAVAROVALNICA TRIGLAV BY BUSINESS SEGMENT	Q1 2015			Q1 2014		
	Non-life	Life	TOTAL	Non-life	Life	TOTAL
NET PREMIUM INCOME	82,345,640	45,150,040	127,495,680	86,616,119	43,337,566	129,953,685
- gross written premium	129,278,842	45,346,397	174,625,239	136,484,551	43,498,655	179,983,206
- ceded written premium	-27,875,680	-114,255	-27,989,935	-26,363,175	-90,818	-26,453,993
- change in unearned premium reserve	-19,057,522	-82,102	-19,139,624	-23,505,257	-70,271	-23,575,528
INCOME FROM FINANCIAL ASSETS	10,976,090	79,753,657	90,729,747	10,815,967	37,198,922	48,014,889
INCOME FROM FINANCIAL ASSETS IN SUBSIDIARIES AND ASSOCIATES	991,178	0	991,178	557,504	0	557,504
- profit on equity investments accounted for using the equity method	0	0	0	0	0	0
- interest income	991,071		991,071	555,397		555,397
- dividends	0	0	0	0	0	0
- fair value gains	0	0	0	0	0	0
- realised gains on disposals	0	0	0	0	0	0
- other financial income	107	0	107	2,107	0	2,107
INCOME FROM OTHER FINANCIAL ASSETS	9,984,912	34,167,305	44,152,217	10,258,463	27,199,795	37,458,258
- interest income	5,200,531	8,228,724	13,429,255	5,643,689	8,849,806	14,493,495
- dividends		120,474	120,474	4,785	119,244	124,029
- fair value gains	1,766,734	11,967,185	13,733,919	570,739	8,574,785	9,145,524
- realised gains on disposals	1,261,580	12,587,241	13,848,821	3,364,514	9,041,357	12,405,871
- other financial income	1,756,067	1,263,681	3,019,748	674,736	614,603	1,289,339
NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS	0	45,586,352	45,586,352	0	9,999,127	9,999,127
OTHER INCOME FROM INSURANCE OPERATIONS	5,549,642	40,260	5,589,902	5,980,683	94,183	6,074,866
- fees and commission income	4,250,325	40,260	4,290,585	4,919,734	94,183	5,013,917
- other income from insurance operations	1,299,317	0	1,299,317	1,060,949	0	1,060,949
OTHER INCOME	725,507	978,241	1,703,748	1,013,027	835,676	1,848,703
NET CLAIMS INCURRED	-49,214,022	-42,779,824	-91,993,846	-61,453,247	-39,452,424	-100,905,671
- gross claims settled	-54,146,608	-43,304,327	-97,450,935	-58,682,533	-39,337,945	-98,020,478
- reinsurers' share	5,094,189	142,216	5,236,405	5,049,053	5,998	5,055,051
- changes in claims provisions	-161,603	382,287	220,684	-7,819,767	-120,477	-7,940,244
- equalisation scheme expenses for supplementary health insurance	0	0	0	0	0	0
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	-609,303	-16,079,592	-16,688,895	-272,057	-8,565,338	-8,837,395
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	0	-38,173,027	-38,173,027	0	882,556	882,556
EXPENSES FOR BONUSES AND DISCOUNTS	-1,961,809		-1,961,809	-2,927,967		-2,927,967
CHANGE IN FINANCIAL CONTRACT LIABILITIES	0	0	0	0	0	0
OPERATING EXPENSES	-25,091,764	-7,246,465	-32,338,229	-24,635,354	-7,378,414	-32,013,768
- acquisition costs	-18,375,558	-5,051,072	-23,426,630	-17,879,019	-5,050,985	-22,930,004
- other operating costs	-6,716,206	-2,195,393	-8,911,599	-6,756,335	-2,327,429	-9,083,764
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	-2,434,895	-13,375,162	-15,810,057	-2,534,126	-14,000,710	-16,534,836
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN SUBSIDIARIES AND ASSOCIATES	-20,772	0	-20,772	-815	0	-815
- 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	0	0	0	0	0	0
- loss on impairment of financial assets	0	0	0	0	0	0
- other expenses from financial assets and liabilities	-20,772	0	-20,772	-815	0	-815
EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES	-2,414,123	-12,796,152	-15,210,275	-2,533,311	-5,109,698	-7,643,009
- interest expense	-273,909	-176,001	-449,910	-278,590	-177,953	-456,543
- fair value losses	-25,800	-9,104,672	-9,130,472	-356,093	-891,138	-1,247,231
- realised loss on disposals	-1,050,982	-3,053,036	-4,104,018	-724,882	-3,173,641	-3,898,523
- loss on impairment of financial assets	0	0	0	0	0	0
- other expenses from financial assets and liabilities	-1,063,432	-462,443	-1,525,875	-1,173,746	-866,966	-2,040,712
NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS	0	-579,010	-579,010	0	-8,891,012	-8,891,012
OTHER INSURANCE EXPENSES	-2,468,237	-63,520	-2,531,757	-2,859,973	-75,767	-2,935,740
OTHER EXPENSES	-469,281	-26,893	-496,174	-97,104	-30,993	-128,097
PROFIT BEFORE TAX	17,347,568	8,177,715	25,525,283	9,645,968	12,845,257	22,491,225
Income tax expense	-4,372,120	-903,534	-5,275,654	-319,509	-3,035,131	-3,354,640
NET PROFIT FOR THE PERIOD	12,975,448	7,274,181	20,249,629	9,326,459	9,810,126	19,136,585

2.5 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	31 March 2015						
	Non-life	Life	Health	Other	TOTAL NON-CONSOLIDATED	Eliminations	TOTAL CONSOLIDATED
ASSETS	1,859,732,159	1,937,287,172	51,369,727	254,479,159	4,102,868,217	-406,641,252	3,696,226,965
Intangible assets	70,867,438	1,756,772	176,897	4,876,833	77,677,940	-617,114	77,060,826
Property, plant and equipment	84,956,997	10,091,480	1,567,796	26,581,074	123,197,347	-185,377	123,011,970
Deferred tax receivables	11,696,387	1,063,874	0	4,558,382	17,318,643	0	17,318,643
Investment property	51,921,333	2,379,837	0	39,325,876	93,627,046	2,309,815	95,936,861
Investments in subsidiaries	144,665,922	10,542,841	0	84,758,773	239,967,536	-239,967,536	0
Investments in associates	0	4,005,462	0	5,885,955	9,891,417	0	9,891,417
Financial assets	1,052,303,469	1,880,738,692	45,259,364	57,726,894	3,036,028,419	-54,210,926	2,981,817,493
Financial investments:	1,052,303,469	1,376,539,131	45,259,364	57,726,894	2,531,828,858	-54,210,926	2,477,617,932
- loans and deposits	94,804,174	59,638,601	2,953,210	10,492,648	167,888,633	-26,922,790	140,965,843
- held to maturity	2,654,435	265,896,320	0	0	268,550,755	0	268,550,755
- available for sale	943,022,158	703,673,472	42,306,154	46,975,486	1,735,977,270	-27,288,136	1,708,689,134
- recognised at fair value through profit and loss	11,822,702	347,330,738	0	258,760	359,412,200	0	359,412,200
Unit-linked insurance assets	0	504,199,561	0	0	504,199,561	0	504,199,561
Reinsurers' share of technical provisions	169,072,894	486,275	20,444	0	169,579,613	-89,051,213	80,528,400
Assets from investment contracts	0	0	0	0	0	0	0
Receivables	258,636,184	7,872,390	4,277,994	14,477,810	285,264,378	-71,469,562	213,794,816
- receivables from direct insurance operations	123,976,765	602,758	3,727,212	0	128,306,735	-11,905,379	116,401,356
- receivables from reinsurance and co insurance operations	77,424,446	9,935	750	0	77,435,131	-31,264,938	46,170,193
- current tax receivables	1,787,564	154	0	20,589	1,808,307	0	1,808,307
- other receivables	55,447,409	7,259,543	550,032	14,457,221	77,714,205	-28,299,245	49,414,960
Other assets	5,111,414	199,093	36,236	6,451,639	11,798,382	-436,511	11,361,871
Cash and cash equivalents	9,800,560	18,150,456	30,996	9,835,923	37,817,935	-320,742	37,497,193
Non-current assets held for sale	699,561	0	0	0	699,561	47,307,914	48,007,475
EQUITY AND LIABILITIES	1,859,732,162	1,937,287,169	51,369,727	254,479,159	4,102,868,217	-406,641,252	3,696,226,965
Equity	594,355,735	155,939,949	29,188,680	196,418,574	975,902,938	-228,295,294	747,607,644
Controlling interests	594,355,735	155,939,949	29,188,680	196,418,574	975,902,938	-239,511,301	736,391,637
- share capital	119,947,622	39,288,702	25,822,144	166,222,574	351,281,042	-277,579,650	73,701,392
- share premium	42,947,231	13,658,827	0	25,681,963	82,288,021	-25,256,908	57,031,113
- reserves from profit	254,993,086	47,028,348	0	4,029,374	306,050,808	-6,188,173	299,862,635
- treasury share reserves	0	0	0	268,964	268,964	183,916	452,880
- treasury shares	0	0	0	0	0	-452,880	-452,880
- fair value reserve	87,193,072	23,603,654	2,651,119	19,769,762	133,217,607	-14,441,072	118,776,535
- net profit brought forward	77,178,352	24,030,626	-2,070,412	-22,284,311	76,854,255	82,617,142	159,471,397
- net profit for the year	14,593,313	9,437,435	2,785,829	3,672,982	30,489,559	306,539	30,796,098
- currency translation differences	-2,496,941	-1,107,643	0	-673,770	-4,278,354	-183,437	-4,461,791
- 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	11,216,007	11,216,007
Subordinated liabilities	19,341,358	11,984,195	1,500,000	0	32,825,553	-5,014,228	27,811,325
Insurance technical provisions	1,045,971,899	1,236,541,785	12,392,326	0	2,294,906,010	-118,563,174	2,176,342,836
- unearned premiums	320,988,499	517,372	2,624,673	0	324,130,544	-34,211,664	289,918,880
- mathematical provisions	0	1,215,000,375	0	0	1,215,000,375	0	1,215,000,375
- claims provisions	700,899,072	20,091,976	8,511,474	0	729,502,522	-84,039,602	645,462,920
- other insurance technical provisions	24,084,328	932,062	1,256,179	0	26,272,569	-311,908	25,960,661
Insurance technical provisions for unit-linked insurance contracts	0	499,246,614	0	0	499,246,614	0	499,246,614
Employee benefits	9,206,807	1,903,095	238,168	1,068,483	12,416,553	-14,419	12,402,134
Other provisions	4,305,948	3,057,803	222,429	2,683,657	10,269,837	-3,461,083	6,808,754
Deferred tax liabilities	21,521,063	12,847,666	170,952	2,694,360	37,234,041	0	37,234,041
Liabilities from investment contracts	0	0	0	0	0	0	0
Other financial liabilities	15,178,413	2,107,990	24,374	35,609,618	52,920,395	-34,399,949	18,520,446
Operating liabilities	96,248,795	6,980,694	1,908,761	85,114	105,223,364	-38,102,030	67,121,334
- liabilities from direct insurance operations	10,897,053	6,964,410	1,528,617	0	19,390,080	-5,124,871	14,265,209
- liabilities from reinsurance and co insurance operations	77,759,777	16,284	1,678	0	77,777,739	-32,977,159	44,800,580
- current tax liabilities	7,591,965	0	378,466	85,114	8,055,545	0	8,055,545
Other liabilities	53,602,144	6,677,378	5,724,037	15,919,353	81,922,912	-18,433,574	63,489,338
Non-current liabilities held for sale and discontinued operations	0	0	0	0	0	39,642,499	39,642,499

CONSOLIDATED STATEMENT OF FINANCIAL POSITION BY SEGMENT - CONTINUED	31 December 2014						
	Non-life	Life	Health	Other	TOTAL NON- CONSOLIDATED	Eliminations	TOTAL CONSOLIDATED
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
Assets from investment contracts	0	0	0	0	0	0	0
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	1,759,924,418	1,599,102,859	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	-211,356,577	688,140,771
Controlling interests	563,764,261	126,570,893	25,582,145	183,580,049	899,497,348	-218,085,187	681,412,161
- share capital	119,150,607	32,537,938	25,822,144	164,823,636	342,334,325	-268,632,933	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	-5,250,158	299,731,039
- treasury share reserves	0	0	0	268,964	268,964	183,916	452,880
- treasury shares	0	0	0	0	0	-452,880	-452,880
- fair value reserve	72,205,662	16,062,519	1,830,413	17,166,315	107,264,909	-12,324,880	94,940,029
- 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	31 March 2015				
	Slovenia	Other	TOTAL NON-CONSOLIDATED	Eliminations	TOTAL CONSOLIDATED
ASSETS	3,709,576,592	393,291,625	4,102,868,217	-406,641,252	3,696,226,965
Intangible assets	64,438,024	13,239,916	77,677,940	-617,114	77,060,826
Property, plant and equipment	89,396,260	33,801,087	123,197,347	-185,377	123,011,970
Deferred tax receivables	16,308,991	1,009,652	17,318,643	0	17,318,643
Investment property	72,227,511	21,399,535	93,627,046	2,309,815	95,936,861
Investments in subsidiaries	234,521,986	5,445,550	239,967,536	-239,967,536	0
Investments in associates	9,891,417	0	9,891,417	0	9,891,417
Financial assets	2,816,327,169	219,701,250	3,036,028,419	-54,210,926	2,981,817,493
Financial investments:	2,330,323,663	201,505,195	2,531,828,858	-54,210,926	2,477,617,932
- loans and deposits	109,313,279	58,575,354	167,888,633	-26,922,790	140,965,843
- held to maturity	244,357,439	24,193,316	268,550,755	0	268,550,755
- available for sale	1,620,099,374	115,877,896	1,735,977,270	-27,288,136	1,708,689,134
- recognised at fair value through profit and loss	356,553,571	2,858,629	359,412,200	0	359,412,200
Unit-linked insurance assets	486,003,506	18,196,055	504,199,561	0	504,199,561
Reinsurers' share of technical provisions	141,070,250	28,509,363	169,579,613	-89,051,213	80,528,400
Assets from investment contracts	0	0	0	0	0
Receivables	225,755,796	59,508,582	285,264,378	-71,469,562	213,794,816
- receivables from direct insurance operations	92,065,929	36,240,806	128,306,735	-11,905,379	116,401,356
- receivables from reinsurance and co-insurance operations	74,056,692	3,378,439	77,435,131	-31,264,938	46,170,193
- current tax receivables	730	1,807,577	1,808,307		1,808,307
- other receivables	59,632,445	18,081,760	77,714,205	-28,299,245	49,414,960
Other assets	9,566,140	2,232,242	11,798,382	-436,511	11,361,871
Cash and cash equivalents	30,073,048	7,744,887	37,817,935	-320,742	37,497,193
Non-current assets held for sale	0	699,561	699,561	47,307,914	48,007,475
EQUITY AND LIABILITIES	3,709,576,592	393,291,625	4,102,868,217	-406,641,252	3,696,226,965
Equity	885,786,519	90,116,419	975,902,938	-228,295,294	747,607,644
Controlling interests	885,786,519	90,116,419	975,902,938	-239,511,301	736,391,637
- share capital	262,829,403	88,451,639	351,281,042	-277,579,650	73,701,392
- share premium	80,832,472	1,455,549	82,288,021	-25,256,908	57,031,113
- reserves from profit	289,708,275	16,342,533	306,050,808	-6,188,173	299,862,635
- treasury share reserves	268,964	0	268,964	183,916	452,880
- treasury shares	0	0	0	-452,880	-452,880
- fair value reserve	126,637,040	6,580,567	133,217,607	-14,441,072	118,776,535
- net profit brought forward	94,857,036	-18,002,781	76,854,255	82,617,142	159,471,397
- net profit for the year	30,922,293	-432,734	30,489,559	306,539	30,796,098
- currency translation differences	0	-4,278,354	-4,278,354	-183,437	-4,461,791
- reserve of disposal group held for sale	0	0	0	1,214,258	1,214,258
Non-controlling interests	0	0	0	11,216,007	11,216,007
Subordinated liabilities	31,460,495	1,365,058	32,825,553	-5,014,228	27,811,325
Insurance technical provisions	2,075,431,063	219,474,947	2,294,906,010	-118,563,174	2,176,342,836
- unearned premiums	257,680,708	66,449,836	324,130,544	-34,211,664	289,918,880
- mathematical provisions	1,165,227,991	49,772,384	1,215,000,375	0	1,215,000,375
- claims provisions	629,845,680	99,656,842	729,502,522	-84,039,602	645,462,920
- other insurance technical provisions	22,676,684	3,595,885	26,272,569	-311,908	25,960,661
Insurance technical provisions for unit-linked insurance contracts	481,125,476	18,121,138	499,246,614	0	499,246,614
Employee benefits	11,048,197	1,368,356	12,416,553	-14,419	12,402,134
Other provisions	6,177,472	4,092,365	10,269,837	-3,461,083	6,808,754
Deferred tax liabilities	36,113,457	1,120,584	37,234,041	0	37,234,041
Liabilities from investment contracts	0	0	0	0	0
Other financial liabilities	40,751,823	12,168,572	52,920,395	-34,399,949	18,520,446
Operating liabilities	86,157,345	19,066,019	105,223,364	-38,102,030	67,121,334
- liabilities from direct insurance operations	12,362,411	7,027,669	19,390,080	-5,124,871	14,265,209
- liabilities from reinsurance and co-insurance operations	65,788,168	11,989,571	77,777,739	-32,977,159	44,800,580
- current tax liabilities	8,006,766	48,779	8,055,545		8,055,545
Other liabilities	55,524,745	26,398,167	81,922,912	-18,433,574	63,489,338
Non-current liabilities held for sale and discontinued operations	0	0	0	39,642,499	39,642,499

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		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		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		204,282,044
Unit-linked insurance assets	449,802,771	15,984,968	465,787,739		465,787,739
Reinsurers' share of technical provisions	124,802,715	24,193,193	148,995,908	-77,848,191	71,147,717
Assets from investment contracts	0	0	0		
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		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	-211,356,577	688,140,771
Controlling interests	810,807,290	88,690,058	899,497,348	-218,085,187	681,412,161
- share capital	254,679,701	87,654,624	342,334,325	-268,632,933	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	-5,250,158	299,731,039
- treasury share reserves	268,964	0	268,964	183,916	452,880
- treasury shares	0	0	0	-452,880	-452,880
- fair value reserve	101,629,435	5,635,474	107,264,909	-12,324,880	94,940,029
- 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		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		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
Liabilities from investment contracts	0	0	0		
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		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	FOR THE PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2015				
	Non-life	Life	Health	Other	TOTAL
NET PREMIUM INCOME	123,350,624	54,131,085	27,107,587	0	204,589,296
- gross written premium	178,134,187	54,212,145	27,748,342	0	260,094,674
- ceded written premium	-28,746,484	-686	0	0	-28,747,170
- change in unearned premium reserve	-26,037,079	-80,374	-640,755	0	-26,758,208
INCOME FROM FINANCIAL ASSETS	16,056,958	95,600,570	413,020	1,382,061	113,452,609
INCOME FROM FINANCIAL ASSETS IN SUBSIDIARIES AND ASSOCIATES	108	2,521,309	0	744,440	3,265,857
- profit on equity investments accounted for using the equity method	0	209	0	744,440	744,649
- interest income	1	0	0	0	1
- dividends	0	0	0	0	0
- fair value gains	0	67,857	0	0	67,857
- realised gains on disposals	0	2,453,243	0	0	2,453,243
- other financial income	107	0	0	0	107
INCOME FROM OTHER FINANCIAL ASSETS	16,056,850	45,629,350	413,020	637,621	62,736,841
- interest income	8,131,114	11,550,873	212,221	36,035	19,930,243
- dividends	0	120,474	0	0	120,474
- fair value gains	2,218,976	19,492,293	0	582,932	22,294,201
- realised gains on disposals	1,842,972	12,840,406	200,799	0	14,884,177
- other financial income	3,863,788	1,625,304	0	18,654	5,507,746
NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS	0	47,449,911	0	0	47,449,911
OTHER INCOME FROM INSURANCE OPERATIONS	3,499,159	37,983	14,778	0	3,551,920
- fees and commission income	2,235,205	34,314	0	0	2,269,519
- other income from insurance operations	1,263,954	3,669	14,778	0	1,282,401
OTHER INCOME	897,378	53,042	267	17,917,059	18,867,746
NET CLAIMS INCURRED	73,379,956	48,423,383	22,243,362	0	144,046,701
- gross claims settled	79,598,968	48,794,205	20,433,201	0	148,826,374
- reinsurers' share	-5,091,102	0	0	0	-5,091,102
- changes in claims provisions	-1,127,910	-370,822	218,202	0	-1,280,530
- equalisation scheme expenses for supplementary health insurance	0	0	1,591,959	0	1,591,959
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	402,123	26,254,937	-236,370	0	26,420,690
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	0	40,310,246	0	0	40,310,246
EXPENSES FOR BONUSES AND DISCOUNTS	2,529,330	627	0	0	2,529,957
CHANGE IN FINANCIAL CONTRACT LIABILITIES	0	0	0	0	0
OPERATING EXPENSES	37,240,204	7,822,348	1,892,763	0	46,955,315
- acquisition costs	26,275,443	4,776,626	423,869	0	31,475,938
- other operating costs	10,964,761	3,045,722	1,468,894	0	15,479,377
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	5,433,576	15,666,803	8,648	386,702	21,495,729
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN SUBSIDIARIES AND ASSOCIATES	20,772	40,779	0	22,543	84,094
- loss on investments accounted for using the equity method	0	40,779	0	22,543	63,322
- interest expense	0	0	0	0	0
- fair value losses	0	0	0	0	0
- realised loss on disposals	0	0	0	0	0
- loss on impairment of financial assets	0	0	0	0	0
- other expenses from financial assets and liabilities	20,772	0	0	0	20,772
EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES	5,412,804	15,029,170	8,648	364,159	20,814,781
- interest expense	259,273	145,364	0	90,016	494,653
- fair value losses	227,459	10,560,203	0	273,072	11,060,734
- realised loss on disposals	1,177,233	3,069,929	0	0	4,247,162
- loss on impairment of financial assets	21,029	47	0	0	21,076
- other expenses from financial assets and liabilities	3,727,810	1,253,627	8,648	1,071	4,991,156
NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS	0	596,854	0	0	596,854
OTHER INSURANCE EXPENSES	4,885,589	115,460	80,390	0	5,081,439
OTHER EXPENSES	951,528	37,318	458	15,421,980	16,411,284
PROFIT BEFORE TAX	18,981,813	11,191,558	3,546,401	3,490,438	37,210,210
Income tax expense	5,146,394	903,534	0	86,846	6,136,774
NET PROFIT FOR THE PERIOD	13,835,419	10,288,024	3,546,401	3,403,592	31,073,436
Net profit/loss attributable to the controlling company	13,782,474	10,155,948	3,546,401	3,438,484	30,923,307
Net profit/loss attributable to the non-controlling interest holders	52,945	132,076	0	-34,892	150,129

CONSOLIDATED INCOME STATEMENT BY SEGMENT - CONTINUED	FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2014				
	Non-life	Life	Health	Other	TOTAL
NET PREMIUM INCOME	127,057,484	46,465,713	27,191,379	0	200,714,576
- gross written premium	181,749,112	46,535,220	27,864,753	0	256,149,085
- ceded written premium	-28,545,486	-529	0	0	-28,546,015
- change in unearned premium reserve	-26,146,142	-68,978	-673,374	0	-26,888,494
INCOME FROM FINANCIAL ASSETS	13,982,589	38,794,732	419,104	364,672	53,561,097
INCOME FROM FINANCIAL ASSETS IN SUBSIDIARIES AND ASSOCIATES	0	2,145	0	58,032	60,177
- profit on equity investments accounted for using the equity method	0	2,145	0	58,032	60,177
- interest income	0	0	0	0	0
- dividends	0	0	0	0	0
- fair value gains	0	0	0	0	0
- realised gains on disposals	0	0	0	0	0
- other financial income	0	0	0	0	0
INCOME FROM OTHER FINANCIAL ASSETS	13,982,589	28,348,357	419,104	306,640	43,056,690
- interest income	7,984,082	9,792,186	203,807	54,716	18,034,791
- dividends	4,785	119,244	0	0	124,029
- fair value gains	726,851	8,584,923	0	407	9,312,181
- realised gains on disposals	3,855,251	9,066,235	215,297	362	13,137,145
- other financial income	1,411,620	785,769	0	251,155	2,448,544
NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS	0	10,444,230	0	0	10,444,230
OTHER INCOME FROM INSURANCE OPERATIONS	4,157,691	23,696	7,630	0	4,189,017
- fees and commission income	3,048,021	18,800	0	0	3,066,821
- other income from insurance operations	1,109,670	4,896	7,630	0	1,122,196
OTHER INCOME	996,438	60,750	2,686	17,850,708	18,910,582
NET CLAIMS INCURRED	88,008,821	41,093,614	20,832,400	0	149,934,835
- gross claims settled	84,792,897	40,995,705	19,592,135	0	145,380,737
- reinsurers' share	-4,795,888	-1,796	0	0	-4,797,684
- changes in claims provisions	8,011,812	99,705	-662,645	0	7,448,872
- equalisation scheme expenses for supplementary health insurance	0	0	1,902,910	0	1,902,910
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	226,857	9,424,730	-57,985	0	9,593,602
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	0	-658,109	0	0	-658,109
EXPENSES FOR BONUSES AND DISCOUNTS	3,206,255	344	0	0	3,206,599
CHANGE IN FINANCIAL CONTRACT LIABILITIES	0	0	0	0	0
OPERATING EXPENSES	36,413,001	7,395,573	1,825,379	0	45,633,953
- acquisition costs	24,910,946	4,746,689	380,042	0	30,037,677
- other operating costs	11,502,055	2,648,884	1,445,337	0	15,596,276
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	3,141,226	15,527,398	5,187	403,811	19,077,622
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN SUBSIDIARIES AND ASSOCIATES	0	1,037,781	0	88,101	1,125,882
- loss on investments accounted for using the equity method	0	1,037,781	0	88,101	1,125,882
- interest expense	0	0	0	0	0
- fair value losses	0	0	0	0	0
- realised loss on disposals	0	0	0	0	0
- loss on impairment of financial assets	0	0	0	0	0
- other expenses from financial assets and liabilities	0	0	0	0	0
EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES	3,141,226	5,153,972	5,187	315,710	8,616,095
- interest expense	290,806	190,217	0	256,085	737,108
- fair value losses	358,081	893,723	0	29,300	1,281,104
- realised loss on disposals	724,906	3,173,688	1,199	0	3,899,793
- loss on impairment of financial assets	37,127	3,158	0	0	40,285
- other expenses from financial assets and liabilities	1,730,306	893,186	3,988	30,325	2,657,805
NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS	0	9,335,645	0	0	9,335,645
OTHER INSURANCE EXPENSES	5,482,382	86,973	217,685	0	5,787,040
OTHER EXPENSES	475,453	38,745	0	15,100,035	15,614,233
PROFIT BEFORE TAX	9,240,207	12,435,623	4,798,133	2,711,534	29,185,497
Income tax expense	382,676	3,035,131	0	208,911	3,626,718
NET PROFIT FOR THE PERIOD	8,857,531	9,400,492	4,798,133	2,502,623	25,558,779
Net profit/loss attributable to the controlling company	8,786,889	9,372,738	4,798,133	2,475,471	25,433,231
Net profit/loss attributable to the non-controlling interest holders	70,642	27,754	0	27,152	125,548

CONSOLIDATED INCOME STATEMENT BY GEOGRAPHICAL AREA	FOR THE PERIOD FROM 1 JANUARY 2015 TO 31 MARCH 2015		
	Slovenia	Other	TOTAL
NET PREMIUM INCOME	170,637,130	33,952,166	204,589,296
- gross written premium	217,805,554	42,289,120	260,094,674
- ceded written premium	-22,966,844	-5,780,326	-28,747,170
- change in unearned premium reserve	-24,201,580	-2,556,628	-26,758,208
INCOME FROM FINANCIAL ASSETS	108,263,839	5,188,770	113,452,609
INCOME FROM FINANCIAL ASSETS IN SUBSIDIARIES AND ASSOCIATES	3,265,857	0	3,265,857
- profit on equity investments accounted for using the equity method	744,649	0	744,649
- interest income	0	0	0
- dividends	0	0	0
- fair value gains	67,857	0	67,857
- realised gains on disposals	2,453,243	0	2,453,243
- other financial income	107	0	107
INCOME FROM OTHER FINANCIAL ASSETS	59,411,630	3,325,211	62,736,841
- interest income	17,673,218	2,257,025	19,930,243
- dividends	120,474	0	120,474
- fair value gains	21,947,042	347,159	22,294,201
- realised gains on disposals	14,681,517	202,660	14,884,177
- other financial income	4,989,379	518,367	5,507,746
NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS	45,586,352	1,863,559	47,449,911
OTHER INCOME FROM INSURANCE OPERATIONS	2,501,097	1,050,823	3,551,920
- fees and commission income	1,916,026	353,493	2,269,519
- other income from insurance operations	585,071	697,330	1,282,401
OTHER INCOME	17,363,933	1,503,813	18,867,746
NET CLAIMS INCURRED	124,933,405	19,113,296	144,046,701
- gross claims settled	127,818,402	21,007,972	148,826,374
- reinsurers' share	-3,402,646	-1,688,456	-5,091,102
- changes in claims provisions	-1,074,310	-206,220	-1,280,530
- equalisation scheme expenses for supplementary health insurance	1,591,959	0	1,591,959
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	26,138,183	282,507	26,420,690
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	38,173,027	2,137,219	40,310,246
EXPENSES FOR BONUSES AND DISCOUNTS	1,994,112	535,845	2,529,957
CHANGE IN FINANCIAL CONTRACT LIABILITIES	0	0	0
OPERATING EXPENSES	34,361,758	12,593,557	46,955,315
- acquisition costs	23,251,510	8,224,428	31,475,938
- other operating costs	11,110,248	4,369,129	15,479,377
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	20,461,370	1,034,359	21,495,729
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN SUBSIDIARIES AND ASSOCIATES	84,094	0	84,094
- loss on investments accounted for using the equity method	63,322	0	63,322
- interest expense	0	0	0
- fair value losses	0	0	0
- realised loss on disposals	0	0	0
- loss on impairment of financial assets	0	0	0
- other expenses from financial assets and liabilities	20,772	0	20,772
EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES	19,798,266	1,016,515	20,814,781
- interest expense	484,444	10,209	494,653
- fair value losses	10,859,075	201,659	11,060,734
- realised loss on disposals	4,223,454	23,708	4,247,162
- loss on impairment of financial assets	0	21,076	21,076
- other expenses from financial assets and liabilities	4,231,293	759,863	4,991,156
NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS	579,010	17,844	596,854
OTHER INSURANCE EXPENSES	2,645,776	2,435,663	5,081,439
OTHER EXPENSES	14,184,139	2,227,145	16,411,284
PROFIT BEFORE TAX	35,874,229	1,335,981	37,210,210
Income tax expense	6,136,774	0	6,136,774
NET PROFIT FOR THE PERIOD	29,737,455	1,335,981	31,073,436
Net profit/loss attributable to the controlling company	29,615,411	1,307,896	30,923,307
Net profit/loss attributable to the non-controlling interest holders	122,044	28,085	150,129

CONSOLIDATED INCOME STATEMENT BY GEOGRAPHICAL AREA - CONTINUED	FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2014		
	Slovenia	Other	TOTAL
NET PREMIUM INCOME	165,444,910	35,269,666	200,714,576
- gross written premium	215,747,823	40,401,262	256,149,085
- ceded written premium	-23,840,798	-4,705,217	-28,546,015
- change in unearned premium reserve	-26,462,115	-426,379	-26,888,494
INCOME FROM FINANCIAL ASSETS	49,855,738	3,705,359	53,561,097
INCOME FROM FINANCIAL ASSETS IN SUBSIDIARIES AND ASSOCIATES	60,177	0	60,177
- profit on equity investments accounted for using the equity method	60,177	0	60,177
- interest income	0	0	0
- dividends	0	0	0
- fair value gains	0	0	0
- realised gains on disposals	0	0	0
- other financial income	0	0	0
INCOME FROM OTHER FINANCIAL ASSETS	39,796,434	3,260,256	43,056,690
- interest income	15,726,822	2,307,969	18,034,791
- dividends	124,029	0	124,029
- fair value gains	9,179,692	132,489	9,312,181
- realised gains on disposals	12,962,320	174,825	13,137,145
- other financial income	1,803,571	644,973	2,448,544
NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS	9,999,127	445,103	10,444,230
OTHER INCOME FROM INSURANCE OPERATIONS	3,185,750	1,003,267	4,189,017
- fees and commission income	2,555,205	511,616	3,066,821
- other income from insurance operations	630,545	491,651	1,122,196
OTHER INCOME	17,530,037	1,380,545	18,910,582
NET CLAIMS INCURRED	129,595,295	20,339,540	149,934,835
- gross claims settled	122,915,886	22,464,851	145,380,737
- reinsurers' share	-3,640,311	-1,157,373	-4,797,684
- changes in claims provisions	8,416,810	-967,938	7,448,872
- equalisation scheme expenses for supplementary health insurance	1,902,910	0	1,902,910
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	8,779,410	814,192	9,593,602
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	-882,556	224,447	-658,109
EXPENSES FOR BONUSES AND DISCOUNTS	2,928,203	278,396	3,206,599
CHANGE IN FINANCIAL CONTRACT LIABILITIES	0	0	0
OPERATING EXPENSES	33,356,132	12,277,821	45,633,953
- acquisition costs	22,709,416	7,328,261	30,037,677
- other operating costs	10,646,716	4,949,560	15,596,276
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	18,260,108	817,514	19,077,622
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN SUBSIDIARIES AND ASSOCIATES	1,125,882	0	1,125,882
- loss on investments accounted for using the equity method	1,125,882	0	1,125,882
- interest expense	0	0	0
- fair value losses	0	0	0
- realised loss on disposals	0	0	0
- loss on impairment of financial assets	0	0	0
- other expenses from financial assets and liabilities	0	0	0
EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES	8,243,214	372,881	8,616,095
- interest expense	649,807	87,301	737,108
- fair value losses	1,276,531	4,573	1,281,104
- realised loss on disposals	3,899,722	71	3,899,793
- loss on impairment of financial assets	0	40,285	40,285
- other expenses from financial assets and liabilities	2,417,154	240,651	2,657,805
NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS	8,891,012	444,633	9,335,645
OTHER INSURANCE EXPENSES	3,176,063	2,610,977	5,787,040
OTHER EXPENSES	13,666,499	1,947,734	15,614,233
PROFIT BEFORE TAX	27,137,281	2,048,216	29,185,497
Income tax expense	3,626,718	0	3,626,718
NET PROFIT FOR THE PERIOD	23,510,563	2,048,216	25,558,779
Net profit/loss attributable to the controlling company	23,487,845	1,945,386	25,433,231
Net profit/loss attributable to the non-controlling interest holders	22,718	102,830	125,548

2.6 Significant items of the statement of financial position

Intangible assets

In the first three-month period of 2015, intangible assets of Zavarovalnica Triglav increased by EUR 5 million. The increase is attributable mostly to higher long-term deferred acquisition costs. New purchases of other intangible assets in the amount of EUR 816 thousand mostly refer to purchased licences and computer software. In the first quarter of 2015, the depreciation of intangible assets of Zavarovalnica Triglav totalled EUR 950 thousand.

In the reporting period, intangible assets of the Triglav Group increased by EUR 5.3 million. The respective increase disclosed in the consolidated financial statements also arises from the change of long-term deferred acquisition costs in the amount of EUR 5.6 million, newly acquired other intangible assets amount to EUR 1 million. In the first quarter of 2015, a total of EUR 1.4 million of depreciation was accounted for.

Property, plant and equipment

In the first three months of 2015, the carrying amount of property, plant and equipment of Zavarovalnica Triglav decreased by EUR 628 thousand. In the reporting period, Zavarovalnica Triglav purchased EUR 454 thousand worth of new equipment, while the depreciation of property, plant and equipment amounted to EUR 1 million.

At the Group level acquisition of property, plant and equipment totalled EUR 2.5 million in the first three-month period of 2015. As a result of disposal and sale, the value of property, plant and equipment decreased by EUR 1.4 million. The depreciation of property, plant and equipment in the reporting period amounted to EUR 2.4 million.

Financial assets

The tables below show the carrying amount and fair value of financial assets as at 31 March 2015 and the respective values at the 2014 year-end.

Values as at 31 March 2015	Zavarovalnica Triglav		Triglav Group	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans and deposits	79,022,086	79,022,086	140,965,843	140,965,843
Held to maturity	185,602,069	242,191,424	268,550,755	333,124,064
Available for sale	1,367,348,915	1,367,348,915	1,708,689,134	1,708,689,134
Investments recognised at fair value	196,567,372	196,567,372	359,412,200	359,412,200
Unit-linked insurance assets	486,003,506	486,003,506	504,199,561	504,199,561
TOTAL	2,314,543,948	2,371,133,303	2,981,817,493	3,046,390,802

Values as at 31 December 2014	Zavarovalnica Triglav		Triglav Group	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans and deposits	104,531,182	104,531,182	130,037,423	130,037,423
Held to maturity	186,136,258	231,246,180	210,604,128	258,617,374
Available for sale	1,299,415,074	1,299,415,074	1,608,664,995	1,608,664,995
Investments recognised at fair value	200,499,009	200,499,009	204,282,044	204,282,044
Unit-linked insurance assets	449,802,771	449,802,771	465,787,739	465,787,739
TOTAL	2,240,384,294	2,285,494,216	2,619,376,329	2,667,389,575

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

Zavarovalnica Triglav

in EUR

Values as at 31 March 2015	L&R	HTM	AFS	FVTPL	Total
Equity instruments	0	0	95,483,147	0	95,483,147
Debt instruments	0	185,602,069	1,271,005,948	195,171,134	1,651,779,151
Derivative financial instruments	0	0	0	1,396,237	1,396,237
Unit-linked financial assets	8,863,772	0	0	477,139,734	486,003,506
Loans	79,022,086	0	859,821	0	79,881,906
Total	87,885,858	185,602,069	1,367,348,915	673,707,106	2,314,543,948

in EUR

Values 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

Triglav Group

in EUR

Values as at 31 March 2015	L&R	HTM	AFS	FVTPL	Total
Equity instruments	0	0	155,122,603	44,057,162	199,179,765
Debt instruments	24,007,394	268,550,755	1,551,835,028	313,700,039	2,158,093,216
Derivative financial instruments	0	0	0	1,654,997	1,654,997
Unit-linked financial assets	9,027,403	0	432,037	494,740,123	504,199,563
Loans	117,830,130	0	859,822	0	118,689,952
Total	150,864,927	268,550,755	1,708,249,490	854,152,321	2,981,817,493

in EUR

Values 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

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 Zavarovalnica Triglav and Triglav Group, 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, e.g. Bloomberg), entirely based on observable market data relating to 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.

Zavarovalnica Triglav

in EUR				
As at 31 March 2015	Level 1	Level 2	Level 3	Total
Equity securities	91,745,593	0	3,737,554	95,483,147
Debt securities	1,125,825,184	340,351,898	0	1,466,177,081
Derivative financial instruments	0	1,396,237	0	1,396,237
Unit-linked financial assets	370,814,005	106,325,728	0	477,139,733
Total	1,588,384,782	448,073,863	3,737,554	2,040,196,199

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

Triglav Group

in EUR				
As at 31 March 2015	Level 1	Level 2	Level 3	Total
Equity securities	174,287,502	28,162	24,864,101	199,179,765
Debt securities	1,448,294,282	417,082,381	158,404	1,865,535,067
Derivative financial instruments	258,760	1,396,237	0	1,654,997
Unit-linked financial assets	388,414,392	106,757,765	0	495,172,157
Total	2,011,254,936	525,264,545	25,022,505	2,561,541,986

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

Value assessment techniques and inputs used for measurement purposes

Financial investment type	Value assessment method	Material parameters	Parameter weight applied	Fair value
EXTERNAL APPRAISERS (market operator)				
Debt securities - composite	stochastic model, HW1f and HW2f network models	EUR SWAP interest rate curve, issuer credit spreads, comparable issuer credit spreads, interest rate volatility, correlation matrix, volatility indices		level 2
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: 0.1206%, 2y: 0.2377%, 3y: 0.3742%, 4y: 0.496%, 5Y: 0.6404%, 6y: 0.8192%, 7Y: 0.9586%, 8Y: 1.0282%, 9y: 1.0984%, 10y: 1.1289%; 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: 0.1206%, 2y: 0.2377%, 3y: 0.3742%, 4y: 0.496%, 5Y: 0.6404%, 6y: 0.8192%, 7Y: 0.9586%, 8Y: 1.0282%, 9y: 1.0984%, 10y: 1.1289%; credit spreads between 0% and 1%	level 2
Equity securities				
	cash flow discounting	g (growth rate during constant growth period)	2%	level 3
		EBIT margin (constant growth period)	3070.00%	level 3
		discount rate	1340.00%	level 3
		lack of marketability discount	10%	level 3

Changes of Level 3 financial assets

	in EUR	
	Zavarovalnica Triglav	Triglav Group
Opening balance as at 1 March 2015	3,633,127	25,213,933
Purchases	36,210	84,428
Revaluations through Equity	68,217	-277,711
Exchange rate difference	0	1,855
Closing balance as at 31 March 2015	3,737,554	25,022,505

In the first three months 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 no loss arising from financial assets or other assets was recognised in the first three months of 2015.

Impairment loss in the consolidated income statement of the Triglav Group in the period from 1 January to 31 March 2015 amounted to EUR 21 thousand (as at EUR 40 thousand in the same period in 2014).

Subordinated debt instruments

From 1 January 2015 to 31 March 2015, Zavarovalnica Triglav did not issue any new debt securities or effect any repurchase or redemption of debt securities.

Contingent liabilities

In the first quarter of 2015, Zavarovalnica Triglav did not recognise any contingent liabilities arising from issued guarantees or acquire contingent assets of any kind.

Distribution of accumulated profits

As at 31 December 2014, accumulated profits for the year amounted to EUR 61,687,036.62. At the session of the Supervisory Board held on 2 April 2015, the Supervisory and the Management Boards of Zavarovalnica Triglav drew up a proposal on the distribution of the accumulated profit. According to this proposal, a part of the accumulated profit amounting to EUR 56,837,870 would be allocated for dividend payments. The distribution of the remaining part of accumulated profit shall be decided in the following years. The General Meeting of Shareholders of Zavarovalnica Triglav is going to decide on the distribution of accumulated profit on 9 June 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. The company is an insurer marketing supplemental voluntary pension insurance in accordance with the Pension and Disability Insurance Act. The purpose of acquiring a majority stake in the company is achieving synergy through cost rationalisation with a view to improving competitiveness, joint development of new pension insurance products and services and the transfer of financial investment management to Zavarovalnica Triglav.

As a result of this acquisition, Zavarovalnica Triglav assumed control of the target company in which it held a 30.14% equity interest prior to the acquisition date. The process is conceived as a business combination to be implemented in several stages. The business combination 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 4.90% equity interest after the acquisition date	545.928
DIFFERENCE between the adjustment made to the non-controlling interests and the consideration received	147.176

At the acquisition date, the net value of acquired assets and assumed liabilities measured at fair value was established and calculations of equity stakes at fair value prior to the acquisition were made. The surplus in the amount of EUR 1,357,627 was recognised in profit/loss. At the acquisition date, non-controlling interests in the acquired company were also calculated in terms of the proportional share of every shareholder in the recognised net identifiable assets of the acquired company. The difference between the net value of acquired assets and assumed liabilities and the sum of the equity interest and non-controlling interests represents a profit in the amount of EUR 1,095,613 recognised in profit/loss.

After the acquisition date, Zavarovalnica Triglav acquired a 4.9% equity stake from non-controlling interest holders. The difference between the amount for which non-controlling interest is adjusted and the consideration received, equalling EUR 147,176, was recognised directly in equity (share premium). As at the reporting date, Zavarovalnica Triglav held a 71.56% equity stake and the same share of voting rights.

Capital increases in the Triglav Group

In the reporting period, the Triglav Group provided additional capital to the following Triglav Group members:

Triglav INT, holdinška družba d.d.

Zavarovalnica Triglav provided additional capital to Triglav INT amounting to EUR 1,000,000. Following this share capital increase, Zavarovalnica Triglav remained the 100% owner of the company. The capital was increased through an issue of 1,000,000 shares with a nominal value of EUR 1.

Triglav Pojišt'ovna a.s., Brno

Triglav INT d.d. carried out a capital increase in Triglav Pojišt'ovna, a.s. through an issue of 220 new shares with a nominal value of CZK 100,000, totalling CZK 22 million or EUR 797,015. Following this share capital increase, Triglav INT d.d. remained the 100% owner of the company.

Triglav, Upravljanje nepremičnin d.d.

For this capital increase 95,602 shares were issued. Zavarovalnica Triglav recapitalised the company by paying in a total of EUR 6,195,010. As a result of the capital increase, the share capital rose by EUR 398,938, while the remaining EUR 5,796,072 were allocated to the share premium. As a result, the equity stake of Zavarovalnica Triglav in Triglav, Upravljanje nepremičnin increased from 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 a total of 90.43% as at 31 March 2015.

Other changes in the structure of the Triglav Group

Acquisition of equity stakes 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 the 100% owner of the company. The purchase price totalled BAM 117,980. The effect of the acquisition of the non-controlling interest is recognized in the consolidated financial statements as a decrease in share premium by EUR 24,278.

Purchase of equity stakes of Izletnik Celje d.d.

In the reporting period, Avrigo d.o.o. purchased shares of Izletnik Celje, thereby becoming a 49.49% owner of the company.

2.8 Related party transaction

Revenues of the Management and Supervisory Board

In the first three-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*	Net pay received	Insurance premiums**	Other benefits***	Reimbursements
Slapar Andrej	37,992	0	12,983	11,995	1,263	306
Makoter Marica	36,445	0	11,987	7,825	1,237	116
Jošar Benjamin	36,445	30	11,716	7,564	1,959	390
Ivanc Uroš	36,445	0	12,443	7,777	537	285
Čoroli Tadej	36,445	0	12,676	7,764	168	196
TOTAL	183,772	30	61,805	42,925	5,164	1,293

* 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.

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

As at 31 March 2015, Zavarovalnica Triglav had the following receivables from and liabilities to the Management Board members:

in EUR		
Surname and name	Receivables as at 31 March 2015	Liabilities as at 31 March 2015
Slapar Andrej	0	15,913
Makoter Marica	16	15,313
Jošar Benjamin	0	10,473
Ivanc Uroš	11,579	4,031
Čoroli Tadej	29	4,277
TOTAL	11,624	50,007

In the first three-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	2,167	275	240	2,682	1,950	
Celar Peter	2,708	495	0	3,203	2,330	
Gobbo Mario	3,250	715	3,389	7,354	4,844	
Gorjan Branko	2,708	495	234	3,437	2,500	
Kastelic Gregor	3,467	495	1,512	5,474	4,242	
Krštinc Miran	2,708	495	81	3,284	2,389	
Nose Barbara*	1,083	275	0	1,358	988	
Runjak Matej	4,063	495	0	4,558	3,315	
Stankovič Rajko	2,708	495	0	3,203	2,330	
Total	24,862	4,235	5,456	34,553	24,888	

* External committee members.

As at 31 March 2015, Zavarovalnica Triglav had the following liabilities to the Management Board members:

		in EUR
Surname and name	Net liabilities as at 31 March 2015	
Blažič Matija	1,073	
Celar Peter	1,185	
Gobbo Mario	1,622	
Gorjan Branko	1,430	
Kastelic Gregor	2,611	
Krštinc Miran	1,345	
Nose Barbara*	594	
Runjak Matej	1,837	
Stankovič Rajko	1,345	
TOTAL	13,042	

*External committee members.

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	31 March 2015	31 December 2014
Shares	147,991,099	133,799,162
Debt securities and loans	21,065,621	47,456,254
Other financial investments	859,820	1,478,265
Receivables from insurers	2,464,741	1,515,587
Premium receivable from co-insurance	9,588	7,888
Receivables from re-insurers' share in claim	5,451,248	5,529,833
Other short-term receivables from insurance operation	25,850	13,303
Short term receivables from financing	24,262,229	2,922,209
Other short-term receivables	1,925,738	2,224,578

	in EUR	
LIABILITIES	31 March 2015	31 December 2014
Liabilities to policy holders	321,751	608,278
Liabilities to agents and brokers	165,071	179,398
Liabilities from direct insurance operations	4,209	4,209
Liabilities for re-insurance premiums	13,465,671	9,286,094
Liabilities for co-insurers' share in claim	1,205	0
Other short-term liabilities from insurance operations	60,618	30,353
Other short-term liabilities	82,606	194,909

	in EUR	
INCOME AND EXPENSES	Q 1-3 2015	Q 1-3 2014
Gross written premium	3,611,221	1,845,811
Assumed co-insurance written premium	3,711	1,154
Outward re-insurance premium (-)	-25,272,224	-22,585,465
Income from re-insurance commissions	3,818,845	4,498,152
Interest income	991,071	555,397
Income from land and buildings	38,777	42,923
Other insurance income	729,024	438,034
Other income	1,169,060	1,117,988
TOTAL INCOME	-14,910,515	-14,086,007
Gross claims settled	335,023	764,883
Re-insurers' share	-4,045,803	-4,555,407
Co-insurers' share	1,205	0
Expenses from investment property	1,139	0
Other expenses	16,878	0
TOTAL EXPENSES	-3,691,558	-3,790,524

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	Zavarovalnica Triglav		Triglav Group	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Shares	7,072,548	10,427,235	9,891,417	10,371,335
Receivables from insurers	1,334	5,000	1,334	5,208
Short term receivables from financing	0	1,111,728	0	1,111,728
Other short-term receivables	0	16,121	10,000	26,121
LIABILITIES	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Liabilities to policy holders	0	0	187,243	0
Liabilities to agents and brokers	21,592	24,919	21,592	28,461
Other short-term liabilities	0	0	36,954	1,123
Accrued expenses	0	0	0	14

in EUR

INCOME AND EXPENSES	Zavarovalnica Triglav		Triglav Group	
	Q 1-3 2015	Q 1-3 2014	Q 1-3 2015	Q 1-3 2014
Gross written premium	16,796	19,307	17,383	19,307
TOTAL INCOME	16,796	19,307	17,383	19,307
Gross claims settled	5,386	9,350	5,386	9,350
TOTAL EXPENSES	5,386	9,350	5,386	9,350

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 three months of 2015.

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

- On 6 May 2015, Zavarovalnica Triglav was served with a decision of the Higher Court of Ljubljana in the civil case of Zavarovalnica Triglav against the defendants Nadežda Klemenčič and Milan Marolt. Zavarovalnica Triglav filed a civil claim against the defendants for allegedly having caused damage to the insurance company as required by the resolution of the General Meeting of Shareholders adopted on 19 July 2004.
- On 6 May 2015, Zavarovalnica Triglav was served with a decision of the District Court of Ljubljana changing the decision by the Securities Market Agency to terminate offence proceedings. The decision of the Securities Market Agency against Zavarovalnica Triglav and Matjaž Rakovec as the responsible person regarding the alleged offence was related to the publication of the amount of dividend proposed by the Management Board to the General Meeting of Shareholders in April 2013.
- In April 2015, Zavarovalnica Triglav increased the share capital of its subsidiary Triglav INT d.d. with two in-kind contributions totalling EUR 23 million. The capital increase was financed through a debt to equity swap transaction by the parent company and the transfer of an equity stake in the subsidiary Pista d.o.o., Belgrade.
- At its meeting held on 8 April 2015, the Works Council of Zavarovalnica Triglav conducted an election of employee representatives serving as members of the Supervisory Board of Zavarovalnica Triglav. Peter Celar, Ivan Sotošek and Boštjan Molan were elected as Supervisory Board members representing employees for a four-year term of office.
- At the session of the Supervisory Board of Zavarovalnica Triglav held on 2 April 2015, the Supervisory and Management Boards drafted a proposal to pay a dividend of EUR 2.5 gross per share. The General Meeting of Shareholders will decide on this draft resolution on 9 June 2015.