

ZAVAROVALNICA TRIGLAV D.D.  
HEADQUARTERS  
MIKLOŠIČEVA CESTA 19, 1000 LJUBLJANA

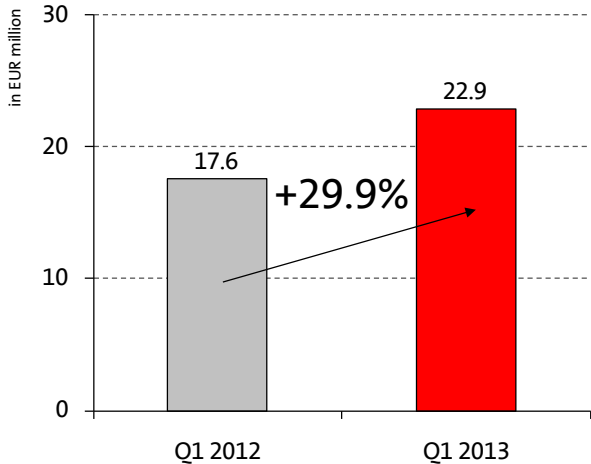


**UNAUDITED INTERIM REPORT OF  
ZAVAROVALNICA TRIGLAV D.D. AND THE  
TRIGLAV GROUP FOR THE PERIOD  
FROM 1 JANUARY 2013 TO 31 MARCH 2013**

Ljubljana, 22 May 2013

**PERFORMANCE OF THE TRIGLAV GROUP IN THE FIRST QUARTER OF 2013**

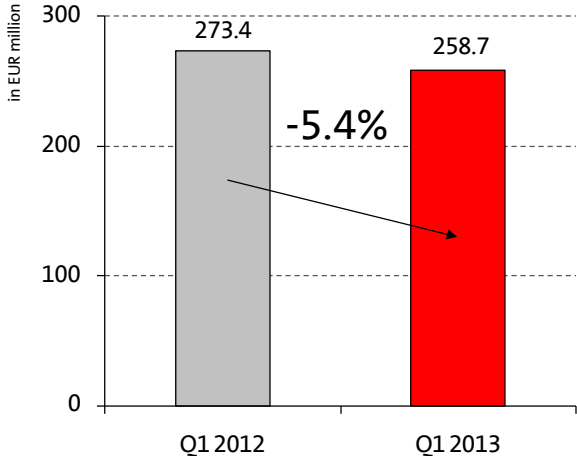
**Net profit**



Consistent implementation of strategic guidelines is reflected in higher profit.

For additional information see page 39.

**Gross written premium for insurance and co-insurance contracts**



The decrease in gross written premium is a consequence of unfavourable economic conditions, the economic crisis and the Company's strategic direction to focus on profitability.

For additional information see page 19.



## Dear Shareholders,

In 2013, the Triglav Group continues to implement its strategy, placing focus on the core insurance business and profitability of operations. Despite unfavourable business conditions, we managed to maintain a high level of financial stability. In the first three months of the year, we earned **EUR 22.9 million in net profit**, which represents a **29.9% growth** compared to the respective period of 2012.

The sustained economic crisis continues to impact the total written premium of the Triglav Group, which **dropped by 5.4%**.

The Triglav Group has responded to the changed market situation and lower demand by different measures and by launching new products. However, this still falls short of completely offsetting the drop in premium due to the decline in exports and imports, new corporate bankruptcies, reduced purchasing power of households, higher unemployment and the reduction in bank lending. Increased price competitiveness in the motor vehicle insurance market and the consequent adjustments of the insurance terms and conditions reduced the volume of written premiums for motor vehicle insurance. Moreover, we continued with portfolio selection activities and focused on building relationships with high-quality clients. Intensive management of the non-life technical result led to a favourable **combined ratio** – a measure of profitability in core insurance operations – which at the end of Q1 **reached 90.3%**.

Through large-scale impairment of financial assets, carried out in 2012, as a consequence of unfavourable trends in the capital markets and the developments in the banking sector which negatively affected the value of some of its assets, Triglav managed to effectively adjust the value of its portfolio, which had a favourable influence on its performance in the first quarter of 2013.

The debt crisis in the EU member states remains the main source of the investment risk to which the Triglav Group is exposed. The S&P credit rating agency lowered the long-term sovereign credit rating on the Republic of Slovenia, but upgraded its outlook from negative to stable. This rating cut was caused by the possibility of a higher debt burden due to Slovenia's support of its state-owned banks and uncertain growth prospects. In the wake of Slovenia's downgrade, the S&P credit rating agency in the first quarter of 2013 lowered the long-term rating of the Triglav Group, which applies to both Zavarovalnica Triglav and Pozavarovalnica Triglav Re, by one notch from »A-« to »BBB+«, changing the outlook to positive. In March, the A.M. Best Rating Services assigned Zavarovalnica Triglav d.d., and thus also the Triglav Group, a financial strength rating of »A-« (excellent) and an issuer credit rating of »A-«. The same joint credit rating was assigned by A.M. Best to Pozavarovalnica Triglav Re d.d. The outlook assigned to the ratings is stable.

As at 31 March 2013, the **total balance sheet assets** of the Triglav Group stood at **EUR 3,195.2 million** and were **2% higher** than at the end of 2012. Moreover, **total equity of the Triglav Group increased by 2%**, as at the end of March 2013 amounting to **EUR 587.0 million**. The portion of equity in the balance sheet total remained unchanged compared to the end of 2012, at 18.4%.

In the first quarter of 2013, **Zavarovalnica Triglav's shares (ZVTG)** - which are listed on the Ljubljana Stock Exchange - saw growth in price and average turnover. **From 31 December 2012 to the end of Q1 2013**, the closing price of Zavarovalnica Triglav's shares **increased by 3%** and as at 31 March 2013 equalled EUR 17.00. In the reporting period, the Slovene Blue-Chip Index

decreased by 7%. The average turnover of ZVTG shares per trading day was EUR 346,065, which was considerably higher than the 2012 average of EUR 84,364. This was mostly due to the sale of 696,213 shares that were held by NLB d.d. The price of ZVTG shares continued to rise after the end of the first quarter.

According to forecasts, conditions in the markets in which Triglav operates will remain uncertain. In the light of the forecasted drop in GDP and the changes in the environment, Triglav plans to amend its strategy. It will be focused increasingly on development. The implementation of the Triglav Group's strategy will be supported by active management of operating costs, careful selection of the existing portfolio, redesign and development of insurance products, greater attention on risk assessment and underwriting, as well as a prudent investment policy with focus on a stable and profitable portfolio. We will continue to make efforts to develop the Triglav Group as the insurance hub of the Adria region.

**Matjaž Rakovec**

**President of the Management Board of Zavarovalnica Triglav**

## TABLE OF CONTENTS:

1. FINANCIAL HIGHLIGHTS IN THE FIRST QUARTER OF 2013 .....	6
2. GOVERNANCE OF THE TRIGLAV GROUP .....	11
3. SHARE CAPITAL AND SHAREHOLDERS OF ZAVAROVALNICA TRIGLAV .....	13
4. PERFORMANCE IN THE PERIOD FROM 1 JANUARY 2013 to 31 MARCH 2013 .....	17
5. FINANCIAL RESULT AND FINANCIAL STANDING .....	39
6. RISK MANAGEMENT .....	45
7. HUMAN RESOURCE MANAGEMENT IN THE TRIGLAV GROUP .....	48
STATEMENT OF THE MANAGEMENT BOARD RESPONSIBILITY.....	53
UNAUDITED FINANCIAL STATEMENT OF ZAVAROVALNICA TRIGLAV D.D. AND THE TRIGLAV GROUP AND NOTES THERETO FOR THE PERIOD FROM 1 JANUARY 2013 TO 31 MARCH 2013 .....	54

## 1. FINANCIAL HIGHLIGHTS IN THE FIRST QUARTER OF 2013

### 1.1 Financial highlights of the Triglav Group

in million EUR

	Q1 2013	Q1 2012	Index 2013/2012
Gross written premium for insurance and co-insurance contracts	258.7	273.4	95
Net premium earned	208.9	221.6	94
Gross claims settled	157.3	151.3	104
Net claims incurred	149.2	139.8	107
Gross operating costs*	52.4	53.4	98
Profit/loss before tax	28.5	21.4	133
Net profit/loss	22.9	17.6	130
Net profit/loss attributable to the controlling company	22.8	17.0	134
	31 March 2013	31 December 2012	Index 2013/2012
Insurance technical provision as at	2,336.5	2,305.3	101
Equity as at	587.0	574.6	102
Equity attributable to the controlling company as at	580.9	567.9	102
Number of employees as at	5,407	5,379	101

\*Insurance business gross operating costs

### Key performance indicators of Triglav Group

	Q1 2013	Q1 2012
Claims ratio	63.3%	57.5%
Expense ratio	27.0%	27.4%
Combined ratio	90.3%	84.9%
Ratio between gross operating costs and gross premium written	20.3%	19.5%

### 1.2 Performance of Zavarovalnica Triglav d.d.

in million EUR

	Q1 2013	Q1 2012	Index 2013/2012
Gross written premium for insurance and co-insurance contracts	182.6	197.9	92
Net premium earned	137.9	150.8	91
Gross claims settled	108.9	105.4	103
Net claims incurred	98.9	90.3	110
Gross operating costs	36.8	36.8	100
Profit/loss before tax	24.8	17.0	146
Net profit/loss	20.0	13.7	146
	31 March 2013	31 December 2012	Index 2013/2012
Insurance technical provision as at	2,018.6	1,990.2	101
Equity as at	518.8	507.7	102
Number of employees as at	2,405	2,405	100

## Key performance indicators of Zavarovalnica Triglav d.d.

	Q1 2013	Q1 2012
Claims ratio	57.4%	48.9%
Expense ratio	26.5%	25.6%
Combined ratio	83.8%	74.5%
Ratio between gross operating costs and gross premium written	20.2%	18.6%

### 1.3 Activities and position of the Triglav Group

The Triglav Group is the leading insurance/financial group in Slovenia and one of the leading groups in South-East Europe, where it is gaining ground and expanding its operations. It is present in eight markets and seven countries.

The Group's key business pillars are:

- insurance;
- asset management; and
- support activities for the key financial pillars.

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

The insurance-oriented part of the Group encompasses:

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

**Asset management** is the activity of Triglav Skladi d.o.o., Triglav Naložbe d.d., Triglav nepremičnine d.o.o., Slovenijales d.d., Gradis IPGI d.d. and Pista d.o.o. Their business includes investments in securities, real property and other instruments.

*Table: Subsidiaries of the Triglav Group directly involved in or supporting the Group's core business lines*

	<b>INSURANCE</b>	<b>ASSET MANAGEMENT</b>	<b>OTHER</b>
<b>Slovenia</b>	<ul style="list-style-type: none"> <li>- Zavarovalnica Triglav d.d.</li> <li>- Pozavarovalnica Triglav Re d.d.</li> <li>- Triglav, Zdravstvena zavarovalnica d.d.</li> <li>- Skupna pokojninska družba d.d.</li> </ul>	<ul style="list-style-type: none"> <li>- Triglav Skladi d.o.o.</li> <li>- Triglav Naložbe d.d.</li> <li>- Triglav nepremičnine d.o.o.</li> <li>- Gradis IPGI d.d.</li> <li>- Slovenijales d.d.</li> </ul>	<ul style="list-style-type: none"> <li>- Triglav INT d.d.</li> <li>- TRI-PRO d.o.o.</li> <li>- AS Triglav d.o.o.</li> <li>- TriglavKo d.o.o.</li> </ul>
<b>Croatia</b>	<ul style="list-style-type: none"> <li>- Triglav Osiguranje d.d., Zagreb</li> </ul>		
<b>Bosnia and Herzegovina</b>	<ul style="list-style-type: none"> <li>- Triglav Osiguranje d.d., Sarajevo</li> <li>- Triglav Osiguranje a.d., Banja Luka</li> </ul>	<ul style="list-style-type: none"> <li>- Polara Invest d.d.</li> <li>- PROF-IN d.o.o.</li> </ul>	<ul style="list-style-type: none"> <li>- TRI-PRO BH d.o.o.</li> <li>- Triglav Auto d.o.o.</li> <li>- Autocentar BH d.o.o.</li> <li>- Unis automobili i dijelovi d.o.o.</li> </ul>
<b>Serbia</b>	<ul style="list-style-type: none"> <li>- Triglav Osiguranje a.d.o., Belgrade</li> </ul>	<ul style="list-style-type: none"> <li>- Triglav Penzijski fondovi a.d.</li> <li>- Pista d.o.o.</li> </ul>	
<b>Monterengo</b>	<ul style="list-style-type: none"> <li>- Lovćen Osiguranje a.d., Podgorica</li> <li>- Lovćen životna osiguranja a.d., Podgorica</li> </ul>		<ul style="list-style-type: none"> <li>- Lovćen auto a.d.</li> </ul>
<b>Macedonia</b>	<ul style="list-style-type: none"> <li>- Triglav Osiguruvanje a.d., Skopje</li> </ul>		
<b>Czech Republic</b>	<ul style="list-style-type: none"> <li>- Triglav Pojišť'ovna a.s., Brno</li> </ul>		

## 1.4 Composition and markets of the Triglav Group





Triglav Group as at 31 March 2013:

Controlling company:

- **Zavarovalnica Triglav d.d.**

**Subsidiaries of the Triglav Group:**

- Pozavarovalnica Triglav Re d.d.
- Triglav, Zdravstvena zavarovalnica d.d.
  - Zdravstveni center morje d.o.o.
- Triglav INT, holdinška družba d.d.
  - Triglav Osiguranje d.d., Zagreb
  - Triglav Osiguranje d.d., Sarajevo
    - Autocentar BH d.o.o.
    - Unis automobili i dijelovi d.o.o.
    - Sarajevostan d.d.
  - 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
- Triglav Skladi, družba za upravljanje d.o.o.
  - PROF-IN d.o.o.
  - Polara Invest d.d.
- 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 Turizem d.o.o.
    - Integral Zagorje d.o.o.
    - Integral Stojna Kočevje d.o.o.
- Triglav Penzijski fondovi a.d.
- TRI-PRO d.o.o.
  - TRI-PRO BH d.o.o.
- AS Triglav - servis in trgovina d.o.o.
- Triglav nepremičnine, upravljanje, svetovanje in trgovanje z lastnimi nepremičninami d.o.o.
  - Pista d.o.o.
- Slovenijales d.d.
  - Slovenijales trgovina d.o.o.
- Gradis IPGI d.d.
- Hotel Grad Podvin d.d.

**Associated companies of the Triglav Group:**

- Skupna pokojninska družba d.d.
- TriglavKo, zavarovalno zastopniška družba d.o.o.
- Tehnološki center varne vožnje Vransko d.o.o.
- Nama trgovsko podjetje d.d.
- Goriške opekarne d.d.
- Elan Skupina (Skimar) d.o.o.
- Info TV d.d.
- IF Prof Plus
- ZIP Polara Invest Fond a.d., Banja Luka

Changes in the Triglav Group in the first quarter of 2013:

- In the first three months of 2013, Zavarovalnica Triglav purchased 5,744 shares of Slovenijales d.d. from non-controlling shareholders, thus becoming the sole owner of the company. The purchase price for the 2.0% equity stake was EUR 686,006.
- Salnal d.d. changed its name to Salnal d.o.o.
- Avrigo d.o.o. increased the share capital of its subsidiary – Integral Zagorje d.o.o. – in an amount of EUR 127,482.

## 1.5 Significant events in the reporting period

Significant events in the reporting period were the following:

- In February 2013, the S&P credit rating agency decreased the long-term rating of the Triglav Group, including both Zavarovalnica Triglav and Pozavarovalnica Triglav Re, by one notch from »A-« to »BBB+«. This downgrade was caused by the lowering of the long-term sovereign credit rating on the Republic of Slovenia. At the same time, S&P assigned the standalone Triglav Group rating a positive outlook. See Section 3.3 *Credit rating* for more details.
- The 37<sup>th</sup> General Meeting of Shareholders of Zavarovalnica Triglav was held on 14 February 2013. At the meeting, the shareholders took note of:
  - the expiration of the terms of office as at 7 April 2013 of the following Supervisory Board members - shareholder representatives: Igor Mihajlovič, Aljoša Valentinčič, Vladimir Uršič, Adolf Zupan, Gregor Kastelic and Jovan Lukovac;
  - the appointment of the following new Supervisory Board members - shareholder representatives with a four-year term of office commencing on 8 April 2013: Jovan Lukovac, Aleš Živkovič, Rok Strašek, Mihael Perman, Žiga Andoljšek and Blaž Šlemic;
  - the activities regarding the participation of Zavarovalnica Triglav d.d. in the share capital increase of Triglav INT d.d. and the entry of a strategic partner in the latter as well as the current state of affairs regarding the entry of the strategic partner in the shareholder structure of Triglav INT d.d. For detailed information see the Report to the General Meeting of Shareholders of Zavarovalnica Triglav d.d. available on Triglav's website at:  
[http://www.triglav.eu/sl/odnosi\\_z\\_vlagatelji/porocila\\_in\\_objave/skupscina](http://www.triglav.eu/sl/odnosi_z_vlagatelji/porocila_in_objave/skupscina).
- On 28 February 2013, Zavarovalnica Triglav was served an action for voidness by the Association of Small Shareholders of Slovenia, Dalmatinova Street 10, 1000 Ljubljana (hereinafter: MDS Association) with reference to certain resolutions passed at the 37<sup>th</sup> General Meeting of Shareholders of Zavarovalnica Triglav on 14 February 2013. In the action for voidness, the MDS Association requires from the Court to declare the following resolutions null and void: No. 1, No. 3.1, No. 3.2, No. 3.3, No. 3.5 and No. 3.6. As two main reasons to declare certain resolutions by the General Meeting of Shareholders void and null, the MDS Association states the failure to prohibit the exercising of voting rights to persons who (in Zavarovalnica Triglav) allegedly acted in concert in accordance with the provisions of the Takeover Act, and the lack of power of Slovenska odškodninska družba d.d. to act as a proxy for the shareholder Zavod za pokojninsko in invalidsko zavarovanje Slovenije at the General Meeting of Shareholders of Zavarovalnica Triglav.
- On 5 March 2013, Zavarovalnica Triglav d.d. received the Securities Market Agency Decision, issued on 4 March 2013, in which the said Agency orders Zavarovalnica Triglav d.d. to prohibit, as at the day the decision takes effect, the following persons from exercising their voting rights:
  - Slovenska odškodninska družba d.d., Mala ulica 5, Ljubljana, for the rights attached to the shares with the ticker symbol ZVTG held by Zavarovalnica Triglav d.d., and the rights attached to the shares, held by Zavod za pokojninsko in invalidsko zavarovanje,

Kolodvorska 15, Ljubljana, which are exercised on behalf of and for the account of the latter by Slovenska odškodninska družba d.d., Mala ulica 5, Ljubljana;

- HIT Hoteli, igralnice, turizem d.d., Delpinova ulica 7a, Nova Gorica;
- Elektro-Slovenija, d.o.o., Hajdrihova ulica 2, Ljubljana;
- D.S.U., družba za svetovanje in upravljanje d.o.o., Dunajska cesta 160, Ljubljana;
- Nova KBM d.d., Ulica Vita Kraigherja 4, Maribor;
- Telekom Slovenije d.d., Cigaletova ulica 15, Ljubljana;

until Slovenska odškodninska družba d.d. on its own behalf and for its own account or on behalf of and for the account of Zavod za pokojninsko in invalidsko zavarovanje; Hit d.d.; Elektro-Slovenija d.o.o.; Luka Koper d.d.; D.S.U., družba za svetovanje in upravljanje d.o.o.; NOVA KBM d.d. and Telekom Slovenije d.d., Cigaletova ulica 15, Ljubljana; jointly or severally, on behalf of and for the account of all, launch a take-over bid for the offeree company Zavarovalnica Triglav d.d., Miklošičeva cesta 19, Ljubljana, in accordance with the Takeover Act, or until the companies stated hereunder and holding voting rights in the offeree company divest ZVTG shares so that they neither jointly nor severally no longer reach the takeover threshold.

- On 21 March 2013, the A.M. Best Rating Services assigned Zavarovalnica Triglav d.d., and thus also the Triglav Group, a financial strength rating of »A-« (excellent) and an issuer credit rating of »A-«. The same rating was assigned to Pozavarovalnica Triglav Re d.d. The outlook assigned to the ratings is stable. See Section 3.3 *Credit rating* for more details.
- As the issuer of shares with the ticker symbol ZVTG, Zavarovalnica Triglav d.d. on 22 March 2013 received from its shareholder Nova Ljubljanska banka d.d., Ljubljana, Trg republike 2, 1000 Ljubljana a P-DEL form (Notice on Changes in Major Holdings). Zavarovalnica Triglav d.d. was thereby informed of the fact that NLB d.d. on 15 March 2013 disposed of 696,213 shares issued by Zavarovalnica Triglav d.d., which accounted for 8.55% of the share capital of Zavarovalnica Triglav d.d. and the same percentage of total voting rights. After the disposal of the above stated shares, NLB d.d. no longer holds any shares issued by Zavarovalnica Triglav d.d.

## **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 and Memorandum of Association of the Company, and their own rules of procedure. The Articles and Memorandum of Association are available at [www.triglav.eu](http://www.triglav.eu).

### **2.2 General Meetings of Shareholders**

The General Meeting of Shareholders, the body through which shareholders of Zavarovalnica Triglav exercise their rights in respect of matters concerning the Company, 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 and Memorandum of Association, and when this 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 and Memorandum of Association. The Articles and

Memorandum of Association do not set out any specific provisions regarding their amendments and supplements.

### **2.2.1 General Meetings of Shareholders in 2013**

In the first quarter of 2013, the General Meeting of Shareholders of Zavarovalnica Triglav was convened once. At the 37<sup>th</sup> General Meeting of Shareholders of Zavarovalnica Triglav, which took place on 14 February 2013, the shareholder representatives:

- took note of the fact, that the terms of office of the Supervisory Board members - shareholder representatives expired as at 7 April 2013;
- appointed new members of the Supervisory Board as shareholder representatives with a four-year term of office, starting on 8 April 2013;
- took note of the activities regarding the participation of Zavarovalnica Triglav d.d. in the share capital increase of Triglav INT d.d. and the entry of a strategic partner in the latter and, in particular, the supervision and investment decision making in the subsidiaries of Triglav INT d.d., as well as the current state of affairs regarding the entry of the strategic partner in the shareholder structure of Triglav INT d.d.

See Section 1.5 *Significant events in the reporting period* for more details.

### **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 and Memorandum 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 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 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 of the Management Board 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 obligations set out by primary and secondary legislation, and in other circumstances set out by law.

#### **2.3.1 Management Board as at 31 March 2013**

As at 31 March 2013, the Management Board of Zavarovalnica Triglav was composed of:

- Matjaž Rakovec, President,
- Andrej Slapar, Member,
- Stanislav Vrtunski, Member,
- Benjamin Jošar, Member,
- Marica Makoter, Member and Employee Representative.

## 2.4 Supervisory Board

Nine members of the Supervisory Board, of whom six are representatives of shareholders and three are representatives of employees, supervise with full responsibility the conducting of the Company's business.

Shareholder representatives are elected by the General Meeting of Shareholders and employee representatives by the Works Council of Zavarovalnica Triglav. Their appointment or recall is subject to the relevant legislation, and the Articles and Memorandum 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 can 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 members 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

As at 31 March 2013, the Supervisory Board of Zavarovalnica Triglav had the following members:

- Shareholder representatives:
  - Igor Mihajlovič, Chairman;
  - Gregor Kastelic, Deputy Chairman;
  - Aljoša Valentinčič, Member;
  - Adolf Zupan, Member;
  - Vladimir Uršič, Member;
  - Jovan Lukovac, Member;
- Employee representatives:
  - Branko Gorjan, Member;
  - Peter Celar, Member;
  - Miran Krštinc, Member.

The terms of office of the above-mentioned Supervisory Board members - shareholder representatives expired as at 7 April 2013. The 37<sup>th</sup> General Meeting of Shareholders of Zavarovalnica Triglav appointed the following new members of the Supervisory Board - shareholder representatives with a four-year term of office, starting on 8 April 2013: Jovan Lukovac, Aleš Živkovič, Rok Strašek, Mihael Perman, Žiga Andoljšek and Blaž Šlemic.

## 3. SHARE CAPITAL AND SHAREHOLDERS OF ZAVAROVALNICA TRIGLAV

### 3.1 Capital

As at 31 March 2013, the share capital of Zavarovalnica Triglav amounted to EUR 73,701,391.79. It was divided into 22,735,148 ordinary registered par value shares bearing the ticker ZVTG and the ISIN code SI0021111651, which are freely transferable and issued in a dematerialised form. Each represents the same stake and corresponding amount in the share capital. All have been paid up in full.

### 3.2 The Shares of Zavarovalnica Triglav

The shares of Zavarovalnica Triglav are listed on the Ljubljana Stock Exchange Prime Market. With the listing on the Prime Market, Zavarovalnica Triglav secured a highly visible position amongst the issuers on the Ljubljana Stock Exchange. Thereby, the Company committed to the highest standards of business and reporting in both the domestic and foreign markets.

*Table: Key figures for the shares of Zavarovalnica Triglav d.d.*

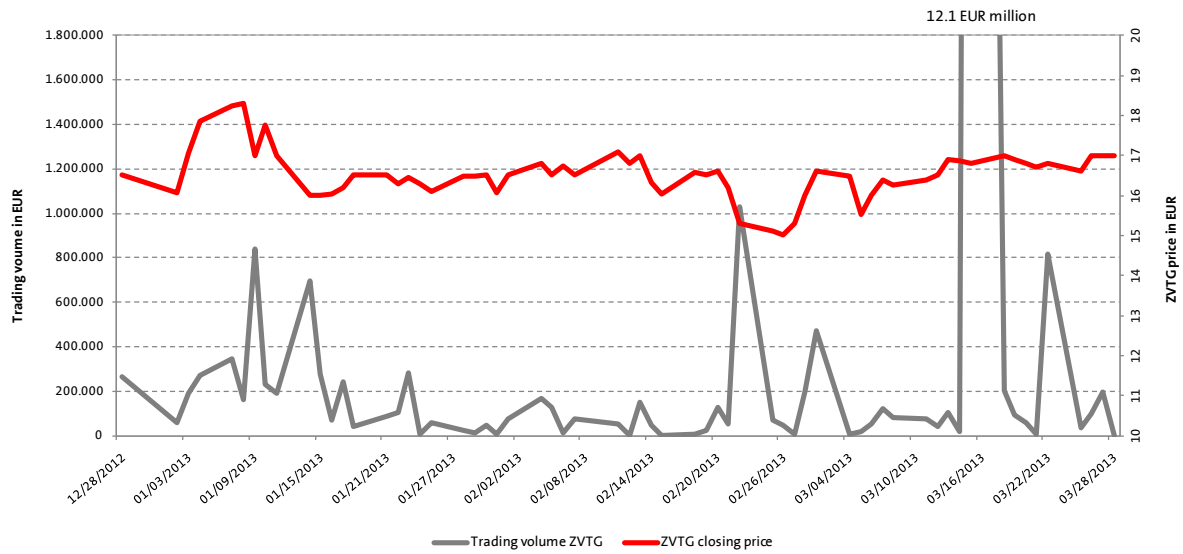
Items	31 March 2013	31 December 2012
Number of shares	22,735,148	22,735,148
Book value per share (in EUR)	22.82	22.33
Share market value – closing price (in EUR)	17.00	16.50
Market capitalisation – closing price (in EUR)	386,497,516	375,129,942
Net earnings / loss per share (in EUR)	0.88	2.22
Ticker symbol	ZVTG	
ISIN	SI0021111651	
Traded on	Ljubljana Stock Exchange - LJSE	
Credit rating	<ul style="list-style-type: none"><li>▪ Standard &amp; Poor's; »BBB+«, positive medium-term outlook</li><li>▪ A.M. Best; »A-«, stable medium term outlook</li></ul>	
Bloomberg	ZVTG SV	
Reuters	ZVTG.LJ	

#### Trading on the Ljubljana Stock Exchange - LJSE

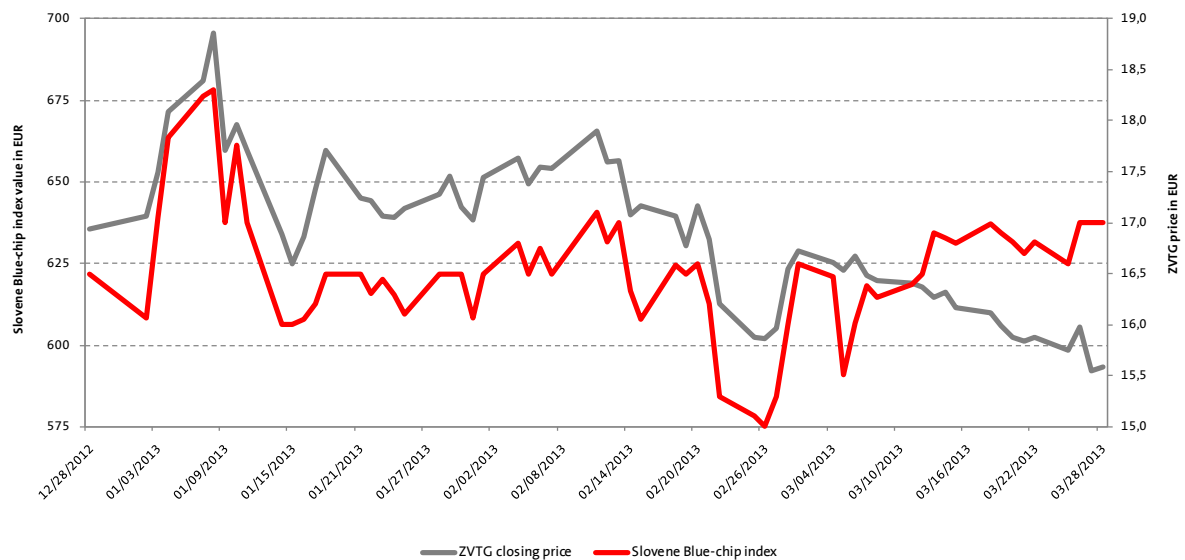
The first quarter of 2013 saw a growing price and average turnover of ZVTG shares. From 31 December 2012 to the end of Q1, the closing price of Zavarovalnica Triglav's shares increased by 3% and as at 31 March 2013 equalled EUR 17.00. The highest closing price, EUR 18.30, was recorded on 8 January 2013.

The average turnover per trading day was EUR 346,065.07, which was considerably higher than the 2012 average of EUR 84,363.90. This was mostly due to the sale of 696,213 shares (3.06%) that were held by NLB d.d. In the reporting period, the Slovene Blue-Chip Index decreased by 7%, whilst the value of ZVTG shares as at 31 March 2013 was 3% higher.

Graph: Movements in the closing price (right axis) and turnover in EUR (left axis) of the ZVTG share of Zavarovalnica Triglav



Graph: Movements in the closing price of the ZVTG share of Zavarovalnica Triglav (right axis) and movements in the value of the Slovene Blue-chip index in EUR (left axis)



Graph: Movements in the average daily price of the ZVTG share of Zavarovalnica Triglav and movements in the value of the Slovene Blue-chip index in EUR in the first quarter of 2013 compared to 31 December 2012

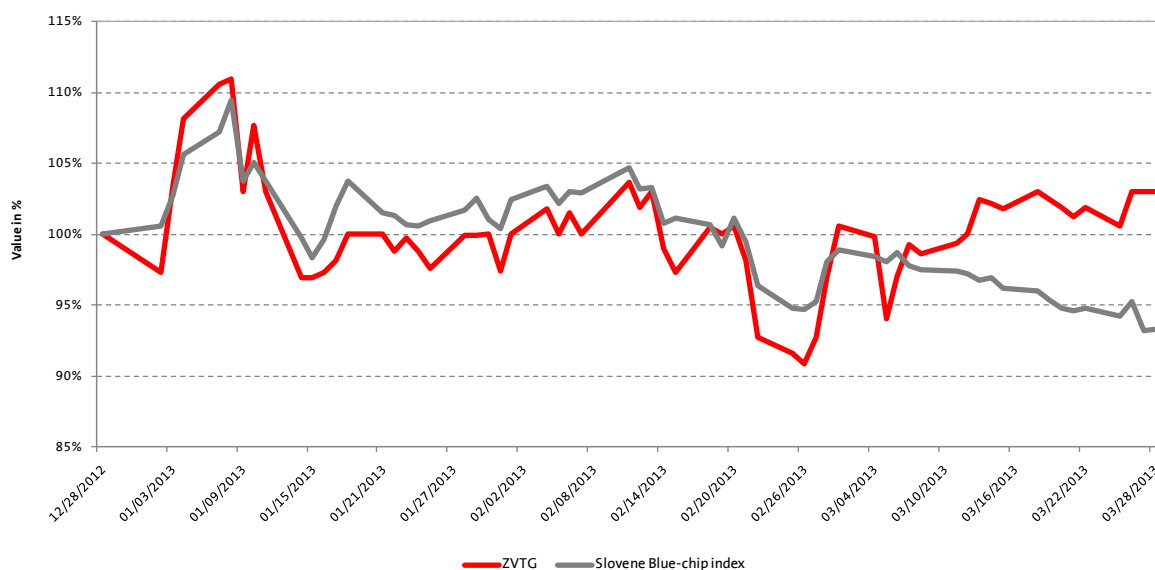
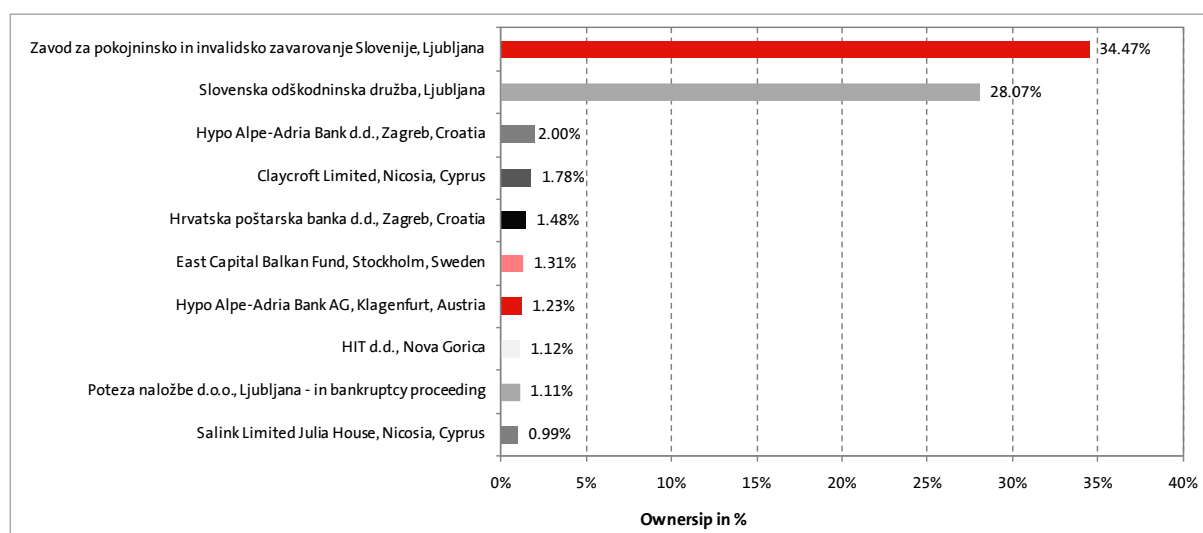


Table: Shareholder structure of Zavarovalnica Triglav as at 31 March 2013

	Total	Domestic	Foreign	Legal entities	Natural persons
Number of shares	22,735,148	19,560,394	3,174,754	20,844,477	1,890,671
Number of shareholders	28,650	28,168	482	677	27,973
Number of shares - percentage	100.00%	86.04%	13.96%	91.68%	8.32%
Number of shareholders - percentage	100.00%	98.32%	1.68%	2.36%	97.64%

Graph: Top ten shareholders of Zavarovalnica Triglav as at 31 March 2013



### 3.3 Credit rating

On 15 February 2013, the Standard & Poor's Ratings Services (hereinafter S&P) cut the long-term credit rating of the Triglav Group (which applies to Zavarovalnica Triglav and



Pozavarovalnica Triglav Re) by one notch from »A-« to »BBB+«. At the same time, S&P removed the rating from the CreditWatch negative list, assigning it a positive outlook. The rating cut followed S&P's lowering of the sovereign credit rating on the Republic of Slovenia to »A-« from »A« on 12 February 2013. According to its criteria, the agency believes that the Slovene government, as a majority shareholder of the Triglav Group, is less able to provide extraordinary support to the Group, should this be needed.

Already in November 2012, the S&P put the Triglav Group on CreditWatch negative, announcing that its credit rating may be cut by one notch due to a possible cut of the sovereign long-term credit rating of the Republic of Slovenia. In accordance with the S&P criteria for rating government-related entities, this one-notch uplift on the Triglav Group's stand-alone credit profile, which S&P assesses at »BBB+«, was factored into the ratings of the Triglav Group due to the likelihood of extraordinary support from the Slovenian government. Moreover, despite deteriorated public finances and economic environment in the country, S&P expects the Triglav Group to remain stable and in 2013 further improve its capital position and maintain solid business results. Thereby, the credit rating of both core operating entities of the Triglav Group, which is now at the same level as the Triglav Group stand-alone rating, was assigned a positive outlook. This positive outlook reflects S&P's expectation that it could improve the Triglav Group credit rating if the Group maintains its capital position and solid business results.

The A.M. Best Rating Services assigned Zavarovalnica Triglav d.d. and thus also the Triglav Group, a financial strength rating of »A-« (excellent) and an issuer credit rating of »A-«. The same joint credit rating was assigned to Pozavarovalnica Triglav Re d.d. The outlook assigned to the ratings is stable.

The ratings of Zavarovalnica Triglav and Pozavarovalnica Triglav Re reflect their supportive risk-adjusted capitalisation, improving operating performance and strong competitive position of the Triglav group within the Slovene market and the West Balkans. The ratings of Triglav Re also consider its strategic importance to Triglav, as the licensed reinsurer of the Group.

Positive rating actions could occur if Zavarovalnica Triglav continues to demonstrate stability in its rating fundamentals, particularly in relation to the generation of good underwriting performance and supportive risk-adjusted capitalisation, on a consolidated and standalone basis.

#### **4. PERFORMANCE IN THE PERIOD FROM 1 JANUARY 2013 to 31 MARCH 2013**

##### **4.1 Impact on the environment on the performance**

The sustained economic crisis continues to impact the total written premium of the Triglav Group. Its consequences can be seen foremost in lower demand for some insurance products due to lower economic activity, decline in exports and imports, new corporate bankruptcies, reduced purchasing power of households, greater prudence of policy holders, higher unemployment, reduction in bank lending, etc. Aggressive competition in the motor vehicle insurance market and the consequent adjustments to the terms and conditions reduced the volume of written premium from car insurance. An additional loss of planned premium income resulted from the insurance portfolio selection and the intense measures taken to mitigate poorer insurance technical results in non-life insurance, manifested in a good claims ratio for both the parent company and the Group.

Through large-scale impairment of financial assets, carried out in 2012 as a consequence of unfavourable trends in the capital markets and the developments in the banking sector, which negatively affected the value of some of its assets, Triglav managed to effectively adjust the value of its portfolio, which had a favourable influence on its performance in Q1 2013.

Following a downgrade of the Republic of Slovenia, reflecting the general state of public finances and economy of the country, Standard & Poor's Ratings Services cut the long-term credit rating and financial strength rating of the Triglav Group, which applies to Zavarovalnica Triglav and Pozavarovalnica Triglav Re, by one notch to »BBB+«. At the same time, S&P removed the rating from the CreditWatch negative list, assigning it a positive outlook. The A.M. Best Rating Services assigned Zavarovalnica Triglav d.d., and thus also the Triglav Group, a financial strength rating of »A-« (excellent) and an issuer credit rating of »A-«. The same joint credit rating was assigned to Pozavarovalnica Triglav Re d.d. The outlook assigned to the ratings is stable.

The Standard & Poor's credit rating agency lowered the long-term rating of the Triglav Group by one notch from »A-« to »BBB+« due to the downgrade of the Republic of Slovenia. The A.M. Best Rating Services assigned the Triglav Group a financial strength rating of »A-« (excellent) and an issuer credit rating of »A-«.

With consistent implementation of its business policy measures, designed to mitigate the adverse effects of the financial crisis, and an adequate portfolio management investment policy, the Triglav Group ended the first quarter of 2013 with a profit of EUR 22.9 million (index 130), while Zavarovalnica Triglav generated a profit of EUR 20.0 million EUR (index 146).

#### 4.2 The insurance market and position of the Group members in the first quarter of 2013

In the first quarter of 2013, there were 15 insurance companies and 4 foreign branch offices active in the Slovene insurance market. Together they recorded a gross written premium of EUR 567.6 million, which was 1.1% less than in the same period of 2012.

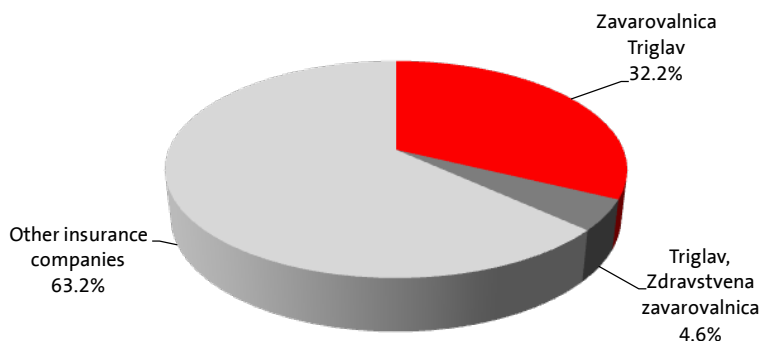
Traditional insurance companies (18) booked a total of EUR 567.0 million in premium, of which almost 75% came from non-life insurance and the remainder from life insurance. Non-life insurance premium increased by 0.1%, whereas life insurance premium dropped by 4.4%. The data do not include insurance business in Slovenia written directly by insurance companies from other EU member states (FOS). While their share is growing, Triglav still considers it to be negligible.

The market is characterised by a high degree of concentration. The four largest insurers controlled over 71.6% of the traditional insurance market (vs. 72.8% in 2012). With a 32.2% share, Zavarovalnica Triglav remains the market leader. The second largest market share is held by Zavarovalnica Maribor, a company 2.3 times smaller. At the end of Q1 2013, Zavarovalnica Triglav and Triglav Zdravstvena zavarovalnica had a combined market share of 36.8%, which was 1.5 percentage points less than in 2012

In Slovenia, the Triglav Group has a market share of 36.8%.

Zavarovalnica Triglav held 32.0% of the non-life insurance market and 32.8% of the life insurance market. Since the Slovene insurance market is one of the more developed markets with a relatively high market concentration, the competition is targeting Triglav's clients. Maintaining the leading position and increasing comparative advantages are therefore both demanding as well stimulating for the development.

Graph: The market share of Zavarovalnica Triglav and other traditional insurance companies domiciled in Slovenia in the first quarter of 2013



Source: Slovenian Insurance Association

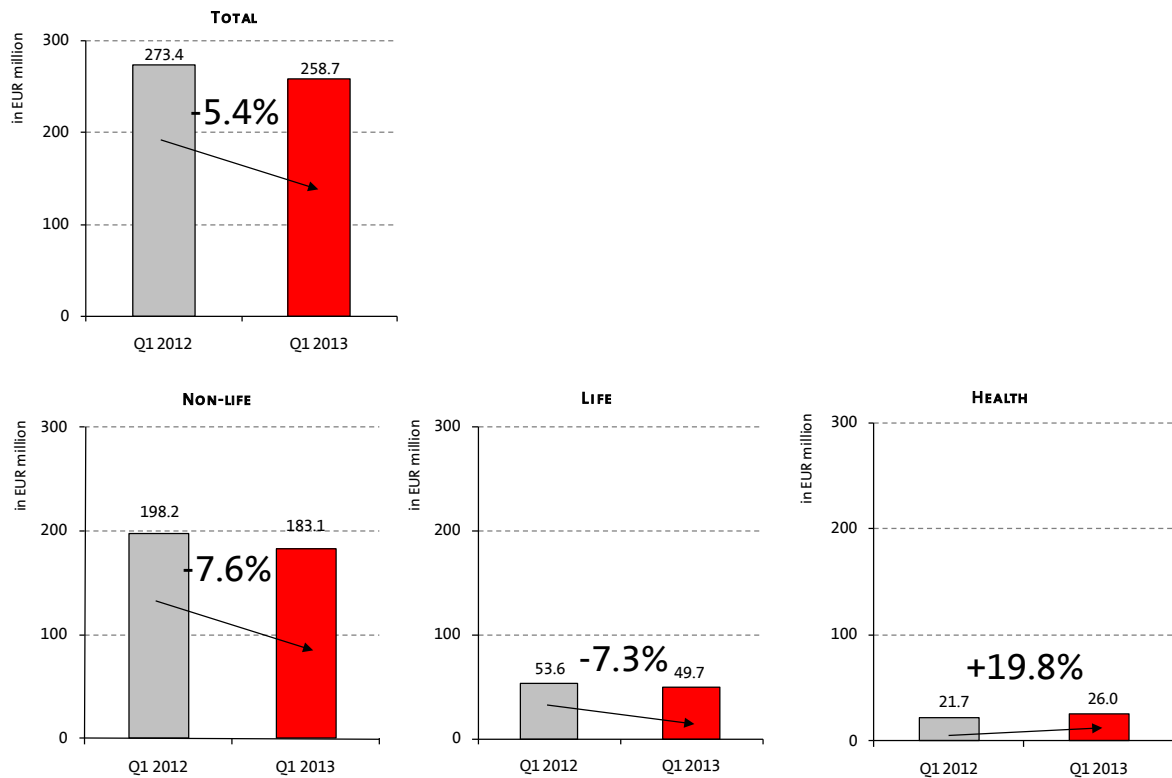
### 4.3 Performance of the Triglav Group

#### 4.3.1 Gross written premium from insurance in co-insurance contracts

In the first three months of 2013, the Triglav Group posted a total of EUR 258.7 million in consolidated gross insurance and co-insurance premium or 5% less than in the respective period of 2012. Gross **non-life insurance** premium amounted to EUR 183.1 million (index 92), **life insurance** premium totalled EUR 49.7 million (index 93) and **health insurance** premium reached EUR 26.0 million (index 120).

In the first quarter of 2013, the Triglav Group charged EUR 258.7 million in gross insurance and co-insurance premium.

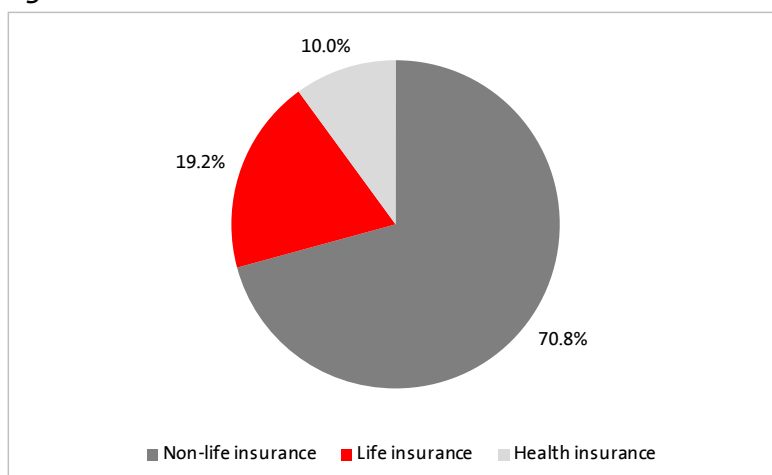
Graph: Gross written premium on insurance and co-insurance contracts in the first quarter of 2013 compared to the same period of 2012



Consolidated written premium had the following structure:

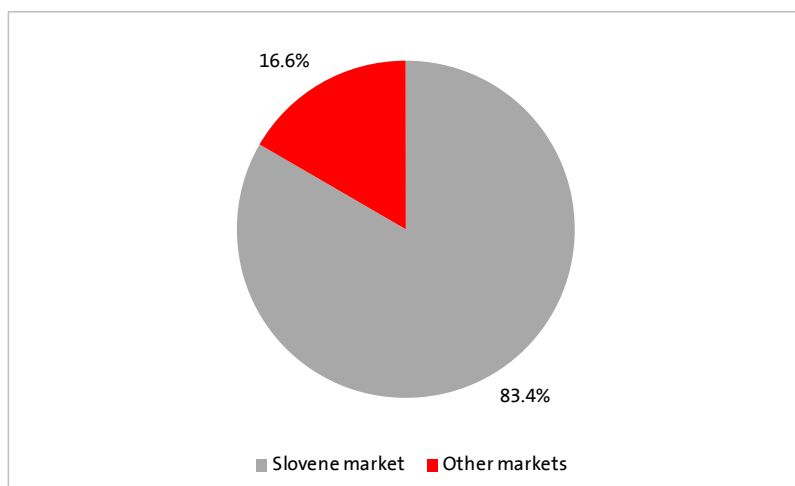
- non-life insurance accounted for 70.8%;
- life insurance for 19.2% and
- health insurance for 10.0%.

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



In the reporting period, 83.4% of the consolidated gross written premium was charged in the Slovene insurance market, the same as in the respective period last year.

*Gross written premium from insurance and co-insurance contracts of the Triglav Group by markets*



The Triglav Group members (excluding Triglav Re) booked EUR 250.2 million in non-consolidated gross insurance and co-insurance premium, which was 5% less than in the same period last year. Trends varied depending on company and market. The insurance premium of Zavarovalnica Triglav was lower by 8% compared to 2012, whilst that of Triglav Zdravstvena zavarovalnica increased by 20%. Premium growth was recorded in Triglav Osiguranje, Banja Luka (12%) and in Triglav Osiguranje, Zagreb (2%). In Triglav Osiguranje, Belgrade, premium remained at the same level as the year before (index 100). Other members of the Group earned less premium: Triglav Osiguranje, Sarajevo and Lovćen Osiguranje by 1%, Triglav Pojišt'ovna by 4%, Lovćen životna osiguranja by 24% and Triglav Osiguruvanje, Skopje by 34%.

Pozavarovalnica Triglav Re booked a total of EUR 36.8 million in gross reinsurance premium or 9% less than in Q1 2012. The decrease in premium was to a great extent caused by a drop in premium from aircraft insurance, aircraft liability insurance and other damage to property insurance. Triglav Re saw a high growth in premium from miscellaneous financial loss insurance, suretyship insurance and goods in transit insurance. Lower gross reinsurance premium is primarily the result of lower premium from optional business with Zavarovalnica Triglav. Reinsurance premium earned outside the Triglav Group fell as well (index 87), due to the portfolio clean-up and the lowering of Pozavarovalnica Triglav Re's credit rating, which affected the renewal of reinsurance policies.

Table: Gross written premium for insurance and co-insurance contracts in the first quarter of 2013 by insurance company in the Triglav Group

Insurance company	Gross written premium			Index			Structure
	Non-life	Life	Total	Non-life	Life	Total	Q1 2013
1 Zavarovalnica Triglav	136,034,046	46,573,977	182,608,023	92	93	92	73.0%
2 Triglav, Zdravstvena zavarovalnica	25,980,732	0	25,980,732	120		120	10.4%
3 Triglav Osiguranje, Zagreb	11,906,532	2,163,316	14,069,848	105	91	102	5.6%
4 Triglav Osiguranje, Sarajevo	4,160,193	559,503	4,719,696	99	97	99	1.9%
5 Triglav Pojišt'ovna, Brno	7,492,628	0	7,492,628	96		96	3.0%
6 Lovćen Osiguranje, Podgorica	6,025,366	0	6,025,366	99		99	2.4%
7 Triglav Osiguranje, Belgrade	4,011,484	145,419	4,156,903	100	98	100	1.7%
8 Triglav Osiguranje, Banja Luka	1,084,699	0	1,084,699	112		112	0.4%
9 Triglav Osiguruvanje, Skopje	3,695,359	0	3,695,359	66		66	1.5%
10 Lovćen životna osiguranja, Podgorica	0	329,470	329,470		76	76	0.1%
<b>Total</b>	<b>200,391,039</b>	<b>49,771,685</b>	<b>250,162,724</b>	<b>96</b>	<b>93</b>	<b>95</b>	<b>100.0%</b>
11 Pozavarovalnica Triglav Re	36,794,339	0	36,794,339	91		91	
Consolidation eliminations	-28,130,372	-103,953	-28,234,325	93	123	93	
<b>Total - consolidated</b>	<b>209,055,006</b>	<b>49,667,732</b>	<b>258,722,738</b>	<b>95</b>	<b>93</b>	<b>95</b>	

#### 4.3.1.1 Non-life insurance

In total, Triglav Group insurance companies charged EUR 200.4 million in unconsolidated insurance and co-insurance premium from non-life insurance contracts in Q1 2013, which represents a 4% decrease in nominal terms compared to the respective period of 2012.

**Motor vehicle insurance** is the largest insurance class, accounting for 32.1% of the total written premium. In **comprehensive car insurance**, insurance companies of the Group collected EUR 35.7 million in written premium, or 10% less compared to the same period in 2012. Growth was recorded by Triglav Osiguranje, Banja Luka (index 121) and Triglav Pojišt'ovna (index 114). Other insurance companies of the Group recorded a decrease in premium written: the largest Triglav Osiguranje, Zagreb and the controlling company. The Group collected EUR 44.6 million in **motor liability insurance** premium, which was 11% less than in Q1 2012. Growth was recorded by Triglav Osiguranje, Banja Luka (index 110), Triglav Osiguranje, Zagreb (index 104), Triglav Osiguranje, Sarajevo (index 103) and Lovćen Osiguranje (index 101), whereas the other insurance companies recorded a decline.

**Motor vehicle insurance is the most important insurance class, accounting for 32.1% of total written premium.**

The decrease in premium from motor vehicle insurance was caused by several factors, including primarily price competition among insurance companies, greater prudence of policy holders as well as the launch of a new client loyalty programme offering additional discounts. The effects of the economic crisis are widespread and are manifested in reduced purchasing power, lower economic growth, lower sales of cars and comprehensive motor vehicle insurance from leasing contracts, stricter borrowing terms and conditions, higher unemployment and corporate bankruptcies. The premium from large policy holders which are won through public tenders continues to fall (stricter tender requirements, competition, participation of insurance brokers and agencies and their commissions). Characteristic for the markets in Serbia, Bosnia and Herzegovina, Montenegro and Macedonia are competitive insurers that pay high commissions to agents, brokers, agencies and roadworthiness test providers, as well as unfair competition, where competitive insurers offer clients large discounts and different material incentives, such as roadworthiness test or registration vouchers, gas coupons and partial premium reimbursement.

A high growth of 20% was recorded in **health insurance**, mostly owing to the results of Triglav Zdravstvena zavarovalnica. The growth of written premium stems from the successful marketing of supplemental health insurance products and a consequent increase in the portfolio of Triglav Zdravstvena zavarovalnica, as well as from the increased price of the supplemental health insurance premium. Triglav Zdravstvena zavarovalnica booked a total of EUR 26.0 million in gross insurance premium or 20% more than in the first three quarters of 2012.

A high growth of 20% was achieved in health insurance.

In the **real property insurance class** (fire and natural disaster insurance and other damage to property insurance) a premium of EUR 54.5 million was booked, representing a decrease of 1% compared to Q1 2012. In fire and natural disaster insurance, a growth of 1% was achieved, whilst other damage to property insurance recorded a 2% premium decrease. The largest drop in premium was posted by Triglav Osiguruvanje, Skopje, Lovćen Osiguranje, Podgorica and Zavarovalnica Triglav, whose combined share in total premium from real property insurance represents almost 84%. The significant decrease in premium (index 52) in Triglav Osiguruvanje, Skopje, is due to the fact that business with a major client was discontinued, as well as due to the foreseen late invoicing of insurance premium from a major policyholder and unfair competition in public procurement procedures (where competitor insurers offer significantly lower premium rates). Lovćen Osiguranje generated less premium (index 85) due to the discontinuation of business with a large client, loss of premium from a fronting policy and a pending agreement with a major policyholder, where so far only a portion of the premium has been invoiced. The premium decrease of 1% in Zavarovalnica Triglav is a result of a premium drop in earthquake insurance, machinery breakdown insurance, home insurance packages for individuals (DOM) and animal insurance (see *Section 4.4.1.* for details). On the other hand, a significant growth in premium was recorded by Triglav Pojišt'ovna, Triglav Osiguranje, Belgrade and Triglav Osiguranje, Sarajevo.

In **general liability insurance** the Triglav Group collected EUR 14.5 million in premium or 1% more than in Q1 2012, which represented 5.8% of total premium. In current harsh economic conditions this growth is considered a success. Most insurance companies within the Triglav Group posted a high growth in premium as a result of effective sales campaigns and the extension of the portfolio. The strongest increase in premium written was seen in Triglav Osiguranje, Belgrade, Triglav Osiguranje, Banja Luka, Triglav Osiguruvanje, Skopje, and Triglav Osiguranje, Zagreb. Zavarovalnica Triglav, accounting for 85% of total premium, saw a 3% decline in written premium, mostly due to a premium drop in liability insurance of attorneys-at-law, as business with a major client was discontinued and lower premium from general liability insurance.

**Accident insurance** represented 4.7% of total written premium or EUR 11.8 million in nominal terms. Compared to the previous year, the premium booked fell by 19%. Almost half of accident insurance premium comes from two insurance sub-classes taken out simultaneously with car insurance (driver and passenger accident insurance and AO-plus insurance), where the decrease in written premium results from the developments in the motor vehicle insurance market, and in AO plus insurance also from the decrease in the price of premium in 2012. Furthermore, growing unemployment and the poor state of the economy are the main reasons for a drop in group accident insurance premium, where the strongest decrease in premium was seen in Zavarovalnica Triglav, Triglav Osiguruvanje, Skopje and Triglav Osiguranje, Zagreb. However, written premium grew in Triglav Osiguranje, Belgrade, Triglav Osiguranje, Sarajevo, Triglav Pojišt'ovna and Lovćen Osiguranje.

**Credit insurance** accounted for 1.8% of total premium and was 3% lower than the year before. The main reason is the premium drop in Triglav Osiguranje, Sarajevo due to the exploitations

of capacities in agreement with a bank and in Triglav Osiguranje, Zagreb, which ceased to sell this class of insurance. Zavarovalnica Triglav (accounting for almost 100% of total premium) recorded a 3% increase in written premium on account of solid performance in most of the credit insurance subclasses (see *Section 4.4.1* for details).

Premium from **other non-life insurance** (accounting for 3.4% of total premium) decreased by 11%, owing mostly to the loss of a large client in aircraft insurance in Lovćen Osiguranje, loss of premium from goods in transit insurance in Triglav Osiguranje, Sarajevo and a drop in premium from railway insurance, assistance insurance and goods in transit insurance in Zavarovalnica Triglav. Good sales results were achieved in marine insurance, goods in transit insurance and assistance insurance.

#### **4.3.1.2 Life insurance**

In total, the Triglav Group insurance companies charged EUR 49.8 million in unconsolidated gross written premium from **life insurance** contracts or 7% less than in the first three months of 2012. This accounted for 19.9% of total gross written premium, which was 0.5 percentage point less than in the corresponding period of 2012.

Due to the sustained uncertainty in the financial markets and the economic crisis, clients were more prudent when purchasing long-term life insurance policies.

Premium from **life insurance** (traditional life insurance, annuity insurance, voluntary pension insurance, tontine) amounted to EUR 23.1 million or 46.4% of the life-insurance class total. Life insurance generated 5% less premium than in the same period of 2012.

The premium generated by **unit-linked life insurance** totalled EUR 20.5 million or 41.3% of gross written premium in the life insurance class. It was 12% lower than in the previous year. The main reason for this decrease can be found in the sustained uncertainty of financial markets and the economic crisis, as clients are more prudent when purchasing long-term life insurance policies, in dropping out from the existing life insurance portfolio and in the ageing of the life insurance portfolio (maturities and surrenders). Unit-linked life insurance are available from Zavarovalnica Triglav (index 88) and Triglav Osiguranje, Zagreb, which booked EUR 0.9 million in written premium or 11% less than a year earlier.

**Supplemental voluntary pension insurance** (capital redemption insurance) generated EUR 6.2 million or 12.4% of the total life insurance premium. Compared to Q1 2012, premium in this insurance subclass grew by 5%, owing to the growth in the annuity pension insurance premium.



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

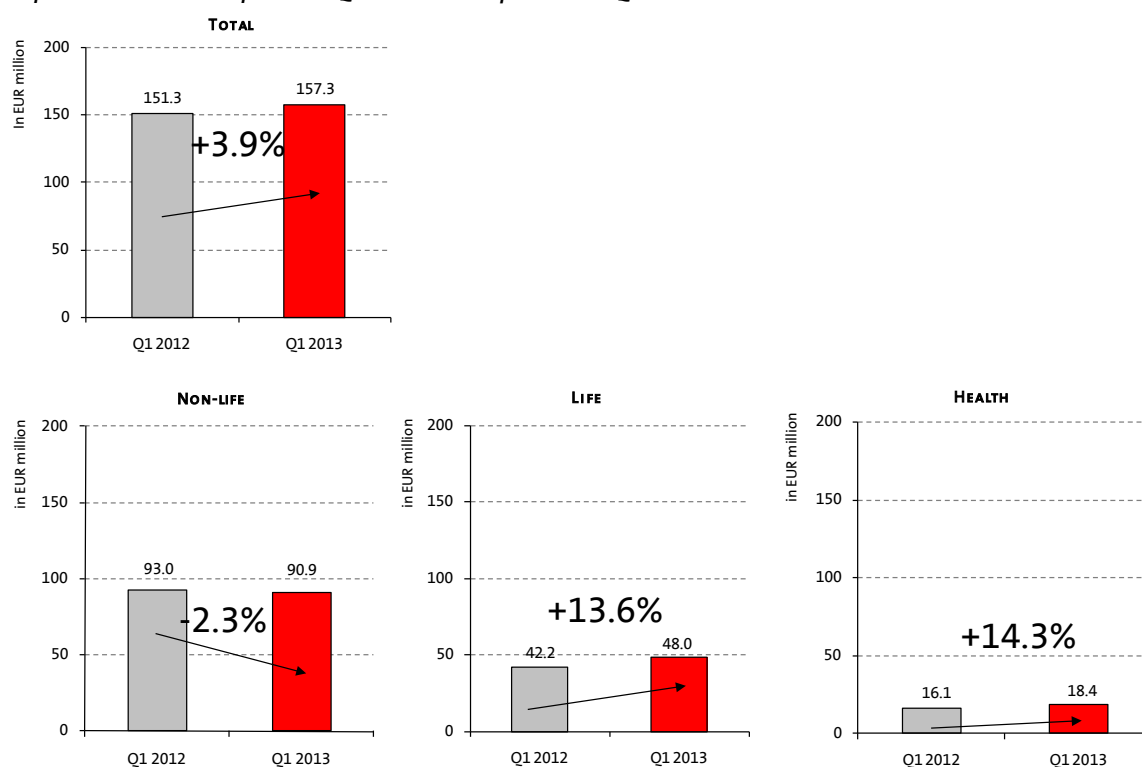
No.	Insurance class	Gross written premium		Index 2013/2012	Structure Q1 2013
		Q1 2013	Q1 2012		
1	Accident insurance	11,762,371	14,522,250	81	4.7%
2	Health insurance	26,160,943	21,870,076	120	10.5%
3	Comprehensive car insurance	35,738,819	39,543,815	90	14.3%
4	Real property insurance	54,505,068	54,977,224	99	21.8%
5	Motor liability insurance	44,641,119	49,991,723	89	17.8%
6	General liability insurance	14,515,451	14,354,182	101	5.8%
7	Credit insurance	4,565,814	4,696,639	97	1.8%
8	Other non-life insurance	8,501,454	9,596,119	89	3.4%
	<b>Non-life insurance</b>	<b>200,391,039</b>	<b>209,552,028</b>	<b>96</b>	<b>80.1%</b>
9	Life insurance	23,082,777	24,358,343	95	9.2%
10	Unit-linked life insurance	20,532,490	23,402,585	88	8.2%
11	Capital redemption insurance	6,156,418	5,882,958	105	2.5%
	<b>Life insurance</b>	<b>49,771,685</b>	<b>53,643,886</b>	<b>93</b>	<b>19.9%</b>
	<b>Total</b>	<b>250,162,724</b>	<b>263,195,914</b>	<b>95</b>	<b>100.0%</b>

### 4.3.2 Gross claims paid

In the first three months of 2013, the Triglav Group posted a total of EUR 157.3 million in consolidated gross claims paid (including claim handling costs and subrogation receivables) or 4% more than in the same period of 2012. Gross claims paid in **non-life insurance** came to EUR 90.9 million (index 98), in the **life-insurance** segment they amounted to EUR 48.0 million (index 114) and in **health insurance** they totalled EUR 18.4 million (index 114).

In the first quarter of 2013, gross claims paid in non-life insurance decreased by 2%.

Graph: Gross claims paid in Q1 2013 compared to Q1 2012



Excluding Pozavarovalnica Triglav Re, the insurance members of the Triglav Group posted EUR 149.8 million in non-consolidated gross claims, which represents an increase of 4% over the preceding year. The highest growth rates in gross claims paid were recorded by Triglav Pojišt'ovna (index 126) and Triglav, Zdravstvena zavarovalnica (index 114). In Zavarovalnica Triglav gross claims paid increased by 3% and in Triglav Osiguranje, Banja Luka by 1%. A decrease in gross claims paid was recorded by Lovćen životna osiguranja (index 66), Triglav Osiguruvanje, Skopje (index 74), Triglav Osiguranje, Zagreb (index 92), Lovćen Osiguranje (index 98), Triglav Osiguranje, Sarajevo (index 98) and Triglav Osiguranje, Belgrade (index 99).

Gross claims paid from reinsurance contracts by Pozavarovalnica Triglav Re totalled EUR 14.4 million or 1% more than the preceding year. This growth was to a large degree caused by an increase in gross claims paid in other damage to property insurance (index 113) and credit insurance (index 152). Gross claims grew in operations outside the Triglav Group and in the Triglav Group subsidiaries, while gross claims paid by Zavarovalnica Triglav decreased.

*Table: Gross claims paid in the first quarter of 2013 by insurance company of the Triglav Group*

No.	Insurance company	Gross claims paid			Index			Structure
		Non-life	Life	Total	Non-life	Life	Total	Q1 2013
1	Zavarovalnica Triglav	62,141,132	46,755,166	108,896,298	96	114	103	72.7%
2	Triglav, Zdravstvena zavarovalnica	18,403,851	0	18,403,851	114		114	12.3%
3	Triglav Osiguranje, Zagreb	4,974,768	930,991	5,905,759	90	105	92	3.9%
4	Triglav Osiguranje, Sarajevo	1,608,725	129,853	1,738,578	102	67	98	1.2%
5	Triglav Pojišt'ovna, Brno	6,189,910	0	6,189,910	126		126	4.1%
6	Lovćen Osiguranje, Podgorica	3,539,055	0	3,539,055	98		98	2.4%
7	Triglav Osiguranje, Belgrade	2,218,050	53,078	2,271,128	98	167	99	1.5%
8	Triglav Osiguranje, Banja Luka	450,602	0	450,602	101		101	0.3%
9	Triglav Osiguruvanje, Skopje	2,297,022	0	2,297,022	74		74	1.5%
9	Lovćen životna osiguranja, Podgorica	0	106,718	106,718		66	66	0.1%
	<b>Total</b>	<b>101,823,115</b>	<b>47,975,806</b>	<b>149,798,921</b>	<b>100</b>	<b>114</b>	<b>104</b>	<b>100.0%</b>
10	Pozavarovalnica Triglav Re	14,380,586	0	14,380,586	101		101	
	Consolidation eliminations	-6,893,092	-119	-6,893,211	97		97	
	<b>Total - consolidated</b>	<b>109,310,609</b>	<b>47,975,687</b>	<b>157,286,296</b>	<b>100</b>	<b>114</b>	<b>104</b>	

#### 4.3.2.1 Non-life insurance

Non-consolidated gross claims in **non-life insurance** amounted to EUR 101.8 million which is approximately equal to the year before (index 100).

Claims related to **motor liability insurance** represented 17.6% of total gross claims paid by the Triglav Group. Total claims paid amounted to EUR 26.4 million, which was 4% less than in the respective period last year. Most Group members recorded a slower growth of gross claims settled in this insurance class, particularly Triglav Osiguranje, Banja Luka, Lovćen Osiguranje and Triglav Osiguruvanje, Skopje. In Zavarovalnica Triglav, holding a 61% structural share, claims settled in motor vehicle liability insurance fell by 9%.

A 3% increase in gross claims paid was recorded in the **comprehensive car insurance** class. Gross claims paid amounted to EUR 25.1 million, which was 16.7% of all claims settled. A growth in gross claim settlements in this insurance class was registered in Triglav Osiguranje, Banja Luka, Triglav Osiguranje, Belgrade, Triglav Osiguranje, Sarajevo, Zavarovalnica Triglav and Triglav Pojišt'ovna. Zavarovalnica Triglav, holding as much as an 84% structural share in this insurance class experienced a 6% growth in gross claims – mostly as a result of a greater number of weather-related loss events. A substantial decrease in gross claims was recorded by Triglav Osiguruvanje, Skopje, Lovćen Osiguranje and Triglav Osiguranje, Zagreb.

In **health insurance** gross claims increased by 14%. This is partly due to the adoption of the Fiscal Balance Act (ZUJF), which transferred a part of health care costs from compulsory to supplemental health insurance. Equalisation scheme expenses totalled EUR 1.9 million, which was 9% more than in the same period last year (an increase of EUR 161 thousand).

In **property insurance**, a 17% decrease in gross claims paid was recorded. Gross claims paid amounted to EUR 16.4 million or 10.9% of all claims settled. In most insurance companies a substantial decrease in gross claims paid was recorded, predominantly by Triglav Osiguruvanje, Skopje, Triglav Osiguranje, Belgrade, and Triglav Osiguranje, Sarajevo. Zavarovalnica Triglav holding a 78% share of this insurance class, recorded as much as a 17% decrease in claims. An increase in claims was recorded in Triglav Pojišt'ovna due to substantial individual claims and Triglav Osiguranje, Banja Luka.

Gross claims paid in **accident insurance** decreased by 9%. This was mostly due to the decline in claims paid in the two largest insurance subclasses, i.e. AO-plus insurance (driver insurance against bodily harm) and group accident insurance in Zavarovalnica Triglav (index 82), which account for a 61% share of the Group's total claims paid. A decrease in claims was also recorded by Triglav Osiguranje, Zagreb, Triglav Pojišt'ovna and Triglav Osiguruvanje, Skopje.

Gross claims paid in **general liability insurance** remained at the same level as last year (index 100). A high growth in gross claims settled was posted by Triglav Pojišt'ovna and Triglav Osiguranje, Belgrade. Gross claims paid by Zavarovalnica Triglav, accounting for the majority of total claims (93%) in this insurance class, increased by 1%. However, a substantial decrease was recorded by Lovćen Osiguranje, Triglav Osiguranje, Sarajevo, and Triglav Osiguranje, Zagreb.

In **credit insurance**, gross claims grew by as much as 62%. The financial and economic crisis is namely reflected in the increased claims from trade credit insurance due to a higher level of illiquidity and insolvency of companies. The crisis also affected the increased volume of claims from overdraft insurance. The majority of gross claims paid represent claims paid by Zavarovalnica Triglav and Triglav Osiguranje, Zagreb.

A 38% increase in gross claims paid was recorded in **other non-life insurance**, This is mostly due to higher claims paid by Zavarovalnica Triglav in assistance insurance (car assistance) and goods in transit insurance as well as a substantial claim for goods in transit insurance paid by Lovćen Osiguranje that has been contested since 2010. Claims decreased in suretyship insurance, railway insurance, aircraft liability insurance, miscellaneous financial loss insurance and marine insurance.

#### **4.3.2.2 Life insurance**

Gross claims paid in **life insurance** totalled EUR 48.0 million and were 14% higher compared to the respective period last year. Claims in the life insurance class accounted for 32.0% of total claims paid which is 2.8 percentage points more than in the year before. The increase in claims paid from life insurance was caused by maturities due to the aging of the portfolio and due to surrenders, mostly as a result of the economic crisis.

The increase in claims paid from life insurance was caused by maturities, due to the aging of the portfolio, and surrenders, mostly as a result of the economic crisis.

The bulk of all claims settled is accounted for by the **life insurance** class (traditional life insurance, annuity insurance and voluntary pension insurance), which totalled EUR 25.3 million, i.e., 6% more than in the respective period last year. A high increase in gross claims was seen in **unit-linked life insurance**, where the growth index was 157 and claims paid amounted

to EUR 14.7 million. Gross claims paid in **supplemental voluntary pension insurance** decreased by 11%.

*Table: Gross claims paid by members of the Triglav Group (excluding Pozavarovalnica Triglav Re) and growth indexes by insurance class*

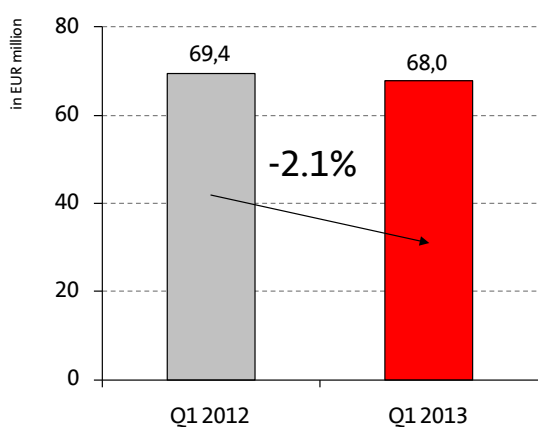
No.	Insurance class	Gross claims paid		Index	Structure
		Q1 2013	Q1 2012	2013/2012	Q1 2013
1	Accident insurance	5,840,386	6,441,964	91	3.9%
2	Health insurance	18,587,322	16,261,378	114	12.4%
3	Comprehensive car insurance	25,061,883	24,316,045	103	16.7%
4	Real property insurance	16,386,860	19,774,402	83	10.9%
5	Motor liability insurance	26,397,066	27,364,643	96	17.6%
6	General liability insurance	3,932,000	3,935,940	100	2.6%
7	Credit insurance	1,217,798	751,203	162	0.8%
8	Other non-life insurance	4,399,800	3,193,787	138	2.9%
	<b>Non-life insurance</b>	<b>101,823,115</b>	<b>102,039,362</b>	<b>100</b>	<b>68.0%</b>
9	Life insurance	25,271,235	23,914,695	106	16.9%
10	Unit-linked life insurance	14,687,314	9,326,123	157	9.8%
11	Capital redemption insurance	8,017,257	8,975,978	89	5.4%
	<b>Life insurance</b>	<b>47,975,806</b>	<b>42,216,796</b>	<b>114</b>	<b>32.0%</b>
	<b>Total</b>	<b>149,798,921</b>	<b>144,256,158</b>	<b>104</b>	<b>100.0%</b>

### 4.3.3 Gross operating costs

Gross consolidated operating expenses of the Triglav Group totalled EUR 68.0 million, decreasing 2% over the preceding year. Insurance business costs dropped by 2% to EUR 52.4 million. Gross operating expenses in **non-life insurance** came to EUR 43.0 million (index 99), in the **life-insurance** segment they amounted to EUR 7.8 million (index 92), in **health insurance** they totalled EUR 1.7 million (index 97) and in **non-insurance activities** they were EUR 15.6 million (index 97).

The growth of insurance business operating expenses was 3 index points higher than the growth of gross written premium. Insurance business operating expenses accounted for 20.3% of gross written premium, which was 0.7 percentage point more than the year before.

*Graph: Gross operating expenses in Q1 of 2013 compared to the same period of 2012*



Acquisition costs (fees and charges) decreased by 2% and equalled EUR 7.6 million. The costs of goods sold amounted to EUR 4.5 million and were 13% lower than the year before. Due to investments, predominantly in IT, depreciation charges increased by 10% and amounted to EUR 4.5 million. With 45.6%, labour costs accounted for the largest portion of total expenses. They amounted to EUR 32.5 million, decreasing by 1% compared to the respective period of the previous year. Costs of services provided by natural persons other than sole proprietors equalled EUR 686.5 thousand, representing an increase of 2% from the year before. Other operating costs remained approximately at the same level as the year before, reaching EUR 21.5 million.

Labour costs, representing the bulk of total expenses, fell by 1%.

In total gross operating expenses, broken down by functional groups, costs of insurance contract acquisition accounted for 53.8%, which is 0.6 percentage point lower compared to the respective period in the year before. Claim handling costs accounted for 12.4% (12.2% in 2012) and asset management costs for 1.6% (1.8% in 2012). Other operating expenses represented 32.2%, having increased by 0.5 percentage point.

Table: Gross operating costs in the first quarter of 2013 by nature

Operating costs by nature	Gross operating costs		Index	Structure
	Q1 2013	Q1 2012	2013/2012	Q1 2013
Acquisition costs (fees and charges)	7,640,611	7,801,416	98	10.7%
Cost of goods sold	4,480,433	5,168,392	87	6.3%
Depreciation of operating assets	4,476,551	4,064,416	110	6.3%
Labour costs	32,481,840	32,790,517	99	45.6%
- wages and salaries	23,819,363	24,081,335	99	33.4%
- social security and pension insurance costs	5,167,022	5,052,962	102	7.3%
- other labour costs	3,495,455	3,656,220	96	4.9%
Costs of services provided by outsourced persons other than SPs together with pertaining taxes	686,544	674,834	102	1.0%
Other operating expenses	21,477,248	21,441,512	100	30.1%
- cost of entertainment, advertising, trade shows	2,880,593	2,730,520	105	4.0%
- costs of material and energy	3,687,473	3,885,675	95	5.2%
- maintenance costs	2,148,339	2,191,975	98	3.0%
- reimbursement of labour-related costs	1,095,702	1,254,769	87	1.5%
- cost of intellectual and personal services	899,558	1,004,547	90	1.3%
- non-income related costs, excluding insurance	719,023	548,471	131	1.0%
- costs of transport and communication services	1,082,536	1,010,905	107	1.5%
- costs for insurance premiums	240,709	308,889	78	0.3%
- payment transaction costs and banking services	705,519	968,651	73	1.0%
- rents	1,541,137	1,635,260	94	2.2%
- costs of services of professional training	240,487	244,359	98	0.3%
- other costs of services	6,192,960	5,514,928	112	8.7%
- long-term employee benefits	43,212	142,563	30	0.1%
<b>Total</b>	<b>71,243,227</b>	<b>71,941,087</b>	<b>99</b>	<b>100.0%</b>
Consolidation eliminations	-3,276,424	-2,523,857	130	
<b>Total - consolidated</b>	<b>67,966,803</b>	<b>69,417,230</b>	<b>98</b>	

#### 4.3.4 Reinsurance

In the first quarter of 2013, the Triglav Group allocated EUR 26.8 million of reinsurance and coinsurance premium to external equalisation, which was 10% less than in the respective period of 2012. Reinsurance premium accounted for 10.4% of total gross written insurance and coinsurance premium. An amount of EUR 3.5 million was received from reinsurance (index 79).

### 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 31 March 2013, the Triglav Group allocated EUR 2,336.5 million to gross insurance technical provisions, which represented an increase of 1% compared to 2012. In non-life insurance, the amount of gross insurance technical provisions increased by 3%, whilst in health insurance it increased by 16% and in life insurance remained at a level approximately equal to 2012 (index 100).

The total amount of gross insurance technical provisions was 1% higher compared to the 2012 year-end.

The comparison of individual insurance technical provisions by type as at 31 March 2013 with the structure as at 31 December 2012 shows the following:

- **Gross provisions for unearned premiums** increased by 15% and reached EUR 308.5 million.
- **Gross claims provisions** decreased by 1% and amounted to EUR 713.5 million. Claims provisions for non-life insurance totalled EUR 684.7 million (index 98), those for health insurance EUR 7.9 million (index 115) and those for life insurance EUR 20.9 million (index 102).
- **Mathematical provisions** remained at a level approximately equal to 2012 and totalled EUR 1,288.0 million. Of the total amount of mathematical provisions, EUR 695.8 million originated from the long-term business fund backing life insurance, EUR 151.1 million from the long-term business fund backing SVPI, EUR 13.2 million from the long-term business fund backing SVPI, i.e. annuities, and EUR 428.0 million from the long-term business fund backing unit-linked life insurance.
- **Provisions for bonuses and rebates** also remained at the level from 2012 (index 100) and totalled EUR 17.2 million.
- **Other insurance technical provisions** totalled EUR 9.2 million and remained at a level approximately equal to 2012 (index 100).

Table: Gross insurance technical provisions as at 31 March 2013

	Gross insurance technical provisions		
	31 March 2013	31 December 2012	Index
Unearned premium	308,539,558	268,424,573	115
Mathematical provisions	1,288,032,867	1,287,288,920	100
Claims provisions	713,479,065	723,176,114	99
Provisions for bonuses and rebates	17,228,239	17,153,835	100
Other insurance technical provisions	9,185,568	9,216,323	100
<b>Insurance technical provisions</b>	<b>2,336,465,297</b>	<b>2,305,259,765</b>	<b>101</b>

### 4.3.6 Structure of financial investments as at 31 March 2013

Financial investments and investment property as at 31 March 2013 stood at EUR 2,578.8 million, which was 1% higher compared to 31 December 2012. They accounted for 80.7% of total assets.

With 60.6%, debt and other fixed-return securities account for the bulk of total financial investments. Compared to 31 December 2012, they decreased by 4%. As at 31 March 2013 they reached EUR 1,563.0 million. In terms of volume, debt and other fixed-return securities are followed by unit-linked insurance contract investments, which recorded a 3% increase over the end of 2012 and as at

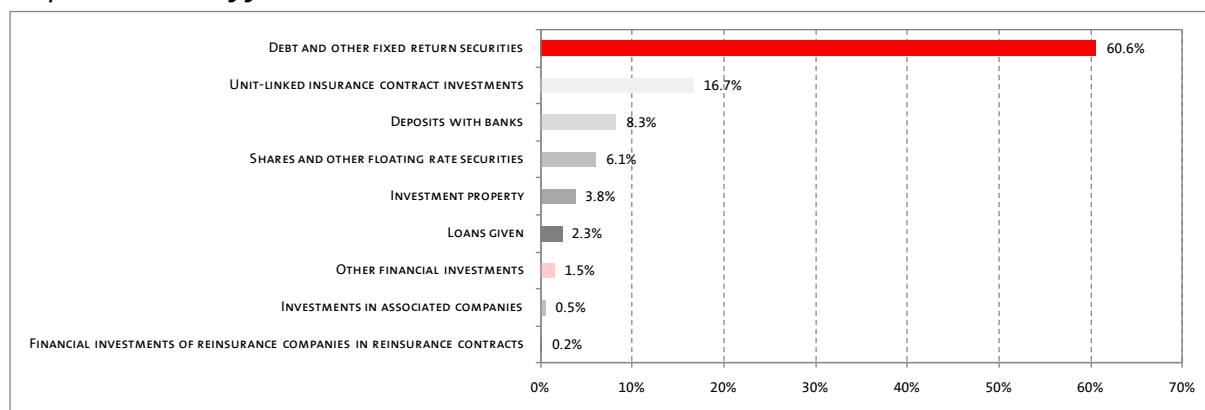
Debt and other fixed-return securities accounted for 60.6% of total financial investments.

31 March 2012 totalled EUR 430.2 million. Deposits with banks, accounting for 8.3% of total investment, increased by 39% to EUR 213.0 million as at 31 March 2013. Shares and other floating rate securities totalled EUR 157.0 million, increasing by 15%. They accounted for 6.1% of total investments. Investment property decreased by 3% and totalled EUR 97.4 million (accounting for 3.8% of total investment). Loans stood at EUR 60.0 million, accounting for 2.3% of total investments, whilst other financial investments reached EUR 39.7 million, representing 1.5% of the total. Compared to 31 December 2012 loans decreased by 2%, whilst other financial investments dropped by 7%. The smallest share in total investments (0.5%) was represented by investments in associated companies, which decreased by 2% down to EUR 14.2 million.

*Table: Financial investments as at 31 March 2013*

	Financial investments			Structure 31 March 2013
	31 March 2013	31 December 2012	Index	
Investment property	97,363,476	100,186,863	97	3.8%
Investments in associated companies	14,161,111	14,384,184	98	0.5%
Shares and other floating rate securities	157,036,943	136,804,915	115	6.1%
Debt and other fixed-return securities	1,563,036,969	1,629,251,530	96	60.6%
Loans given	60,015,055	61,200,586	98	2.3%
Deposits with banks	213,018,837	152,970,974	139	8.3%
Other financial investments	39,722,171	42,582,859	93	1.5%
Financial investments of reinsurance companies in reinsurance contracts	4,157,095	4,185,878	99	0.2%
Unit-linked insurance contract investments	430,239,331	418,881,917	103	16.7%
<b>Total</b>	<b>2,578,750,988</b>	<b>2,560,449,706</b>	<b>101</b>	<b>100.0%</b>

*Graph: Structure of financial investments as at 31 March 2013*



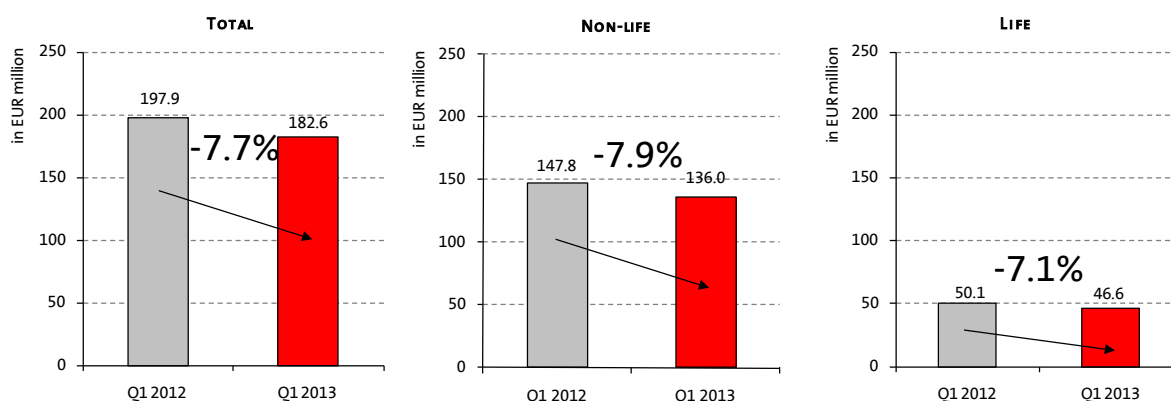
## 4.4 Operating performance of Zavarovalnica Triglav d.d.

### 4.4.1 Gross written premium for insurance and co-insurance contracts

In Q1 2013, Zavarovalnica Triglav booked a total of EUR 182.6 million of gross written premium from insurance and co-insurance contracts or 8% less than in the same period of the year before.

In Q1 2013, the Company booked EUR 182.6 million in gross insurance and co-insurance premium.

Grpf: Gross written premium from insurance and co-insurance contracts in Q1 2013 compared to Q1 2012



Non-life insurance premium totalled EUR 136.0 million (index 92), whilst life insurance premium amounted to EUR 46.6 million (index 93).

In total gross written premium, non-life insurance accounted for 74.5% and life insurance for 25.5%. The share of life insurance premium in total gross written premium increased by 0.2 percentage point compared to the same period of the previous year.

Table: Gross written premium from insurance and co-insurance contracts for Zavarovalnica Triglav in Q1 2013 by insurance classes

No.	Insurance class	Gross written premium		Index 2013/2012	Structure Q1 2013
		Q1 2013	Q1 2012		
1	Accident insurance	8,469,476	11,044,236	77	4.6%
2	Health insurance	0	0	0	0.0%
3	Comprehensive car insurance	30,800,494	34,557,283	89	16.9%
4	Real property insurance	44,260,817	44,715,837	99	24.2%
5	Motor liability insurance	29,216,266	33,541,406	87	16.0%
6	General liability insurance	12,268,954	12,620,123	97	6.7%
7	Credit insurance	4,563,648	4,415,065	103	2.5%
8	Other non-life insurance	6,454,334	6,888,567	94	3.5%
	<b>Non-life insurance</b>	<b>136,033,990</b>	<b>147,782,518</b>	<b>92</b>	<b>74.5%</b>
9	Life insurance	20,783,665	21,839,882	95	11.4%
10	Unit-linked life insurance	19,633,621	22,387,765	88	10.8%
11	Capital redemption insurance	6,156,418	5,882,958	105	3.4%
	<b>Life insurance</b>	<b>46,573,704</b>	<b>50,110,604</b>	<b>93</b>	<b>25.5%</b>
	<b>Total</b>	<b>182,607,694</b>	<b>197,893,123</b>	<b>92</b>	<b>100.0%</b>

In **non-life insurance**, a 3% increase in written premium was achieved in credit insurance. The results of most sub-classes of credit insurance were solid, especially in payment card claims (index 127), small business credits (index 111) and overdraft insurance (index 109). In the largest insurance sub-class, consumer loan insurance (representing an almost 62% share), the written premium increased by 3%.

Other insurance groups generated less premium than in the same period of the previous year. The main reasons for this decrease are:

- aggressive price competition among insurance companies, particularly in the motor vehicle insurance sector;
- continued economic crisis decreasing the purchasing power of population and causing greater prudence of policyholders (policy degradation and consequently less premium);



- lower premium due to the introduction of the „Triglav komplet“ discount scheme in November 2012 and additional discounts;
- continued efforts to mitigate the poor insurance technical results recorded in insurance of property and interests in property as well as in agricultural insurance. The resulting changes caused a decrease in written premium and a simultaneous improvement of insurance technical results.

The largest (32.9%) share in total written premium was accounted for by motor vehicle insurance. Motor liability insurance premium and comprehensive car insurance premium decreased by 13% and 11% respectively. As already mentioned, the decrease in written premium results mostly from harsh price competition among insurers in the motor vehicle insurance market, lower prices of insurance products and additional discounts introduced (Triglav komplet), greater prudence of policyholders and also the economic crisis (companies' bankruptcies, lower sales of motor vehicles).

A 1% premium decrease was recorded in property insurance. This was mainly due to a decrease in premiums for earthquake insurance, machinery breakdown insurance, property and interest in property insurance (home insurance package for individuals (DOM)) and animal insurance. The decrease in earthquake insurance premium predominantly resulted from the harsh competition of foreign insurers, whilst the lower written premium in machinery breakdown insurance was due to the mitigation of poor insurance technical results and portfolio clean up. The drop in home insurance package for individuals (DOM) premium resulted from the additional discount introduced by Triglav komplet, whereas the decreased animal insurance premium reflects the abolition of animal husbandry with a smaller number of livestock units, the general economic situation and the changed agricultural insurance conditions for breeding heifers. Solid sales results were achieved in fire and natural forces insurance, construction insurance as well as crop and fruit insurance.

The decrease in accident insurance premium (index 77) was a result of the developments in the motor vehicle insurance market, as more than a half of premium in this insurance group arises from two insurance sub-classes taken out simultaneously with car insurance (AO-plus insurance and driver and passenger accident insurance). The main reason for the decreased total AO-plus insurance premium lies in a more than 20% premium decrease in 2012. Nevertheless, growing unemployment and the poor state of the economy are the main reasons for lower group accident insurance premium. In general liability insurance premium fell by 3%, predominantly as a result of lower written premium from liability of attorneys-at-law insurance due to discontinued cooperation with a large policyholder and lower general liability insurance premium representing 81% of total written premium of this insurance class. A high premium increase was recorded in liability of management and supervisory boards insurance and product liability insurance.

In other classes of non-life insurance a 6% decrease in premium was recorded compared to the respective period of 2012. This predominantly resulted from lower premium written in railway insurance, assistance insurance and goods in transit insurance. Decreased premium written in assistance insurance results from the lower premium of roadside assistance insurance, whereas in goods in transit insurance the lower premium reflects harsh economic conditions and aggressive competition. Good sales results were achieved in suretyship insurance, aircraft insurance and marine insurance.

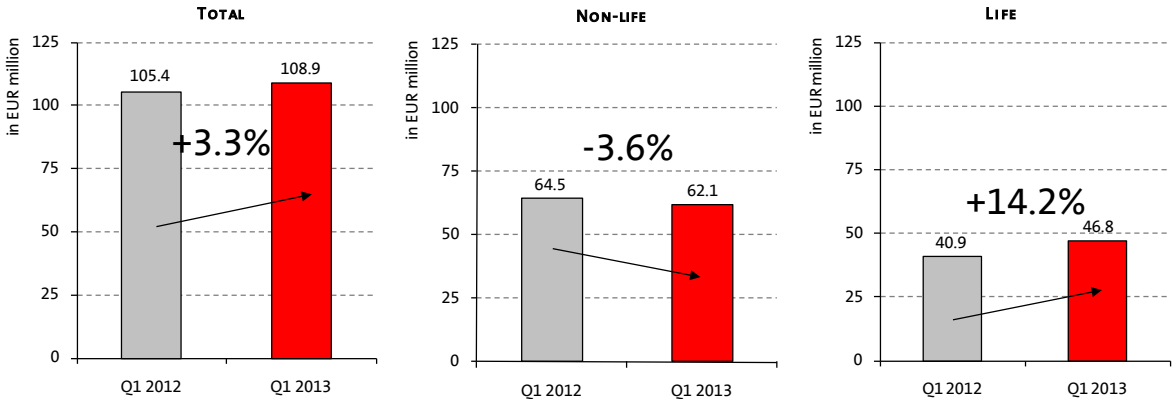
The 7% decrease in premium from **life insurance** mostly resulted from the aging of the life insurance portfolio (maturities and surrenders) as well as the financial and economic crisis which was reflected in more prudent consumer behaviour when concluding long-term life insurance contracts and dropping out from the existing portfolio. Premium generated from life

insurance (traditional life insurance, annuity insurance and voluntary pension insurance) was 5% lower than in the respective period last year and accounted for almost 45% of the total life-insurance premium. The premium generated by unit-linked life insurance represented 42% of total written premium in the life insurance class, which was 12% less compared to one year earlier. Premium from supplemental voluntary pension insurance (capital redemption insurance) generated a 5% growth.

**4.4.2 Gross claims paid**

In the first quarter of 2013, Zavarovalnica Triglav posted a total of EUR 108.9 million in gross claims paid (including claim handling costs and reduced by subrogation receivables) which is 3% more than in the respective period of 2012.

*Graph: Gross claims paid in Q1 2013 compared to Q1 2012*



In non-life insurance, the Company recorded EUR 62.1 million in gross claims or 4% less than last year. The increase in claims in non-life insurance was 4 index points higher than the growth of written premium. In the largest non-life insurance class, i.e. comprehensive car insurance (currently representing one third of all non-life insurance claims), gross claims increased by 6%, mostly due to a higher number of loss events resulting from extraordinary weather conditions. The highest growth of gross claims (41%) was recorded in the credit insurance and other non-life insurance classes. Increased gross claims in credit insurance predominantly resulted from a high growth of trade credit insurance claims (index 236) and overdraft insurance (index 141). Augmented gross claims in other non-life insurance were mostly due to higher claims paid in assistance insurance (car assistance) and goods in transit insurance. The volume of gross claims settled in general liability insurance was higher by 1%. In other non-life insurance classes gross claims paid were lower than in the corresponding period of 2012; the largest reduction was recorded in accident insurance (index 82), property insurance (index 83) and motor liability insurance (index 91).

Gross claims paid in non-life insurance decreased by 4% compared to the respective period in the year before.

Gross claims paid in life insurance totalled EUR 46.8 million and were 14% higher than in the respective period of 2012. Claims in the life insurance class accounted for 42.9% of total claims paid or 4.1 percentage points more than the year before. The high increase in life insurance claims was caused by maturities due to the aging of the portfolio and due to surrenders, mostly as a result of the economic crisis. The bulk of all claims settled is accounted for by the life insurance class (traditional life insurance, annuity insurance and voluntary pension insurance), which totalled EUR 24.4 million or 7% more compared to the previous year. Unit-linked life insurance recorded a high growth (57%), whilst the gross claims paid in supplemental voluntary pension insurance were lower by 11%.

Table: Gross claims paid by Zavarovalnica Triglav in Q1 2013 by insurance class

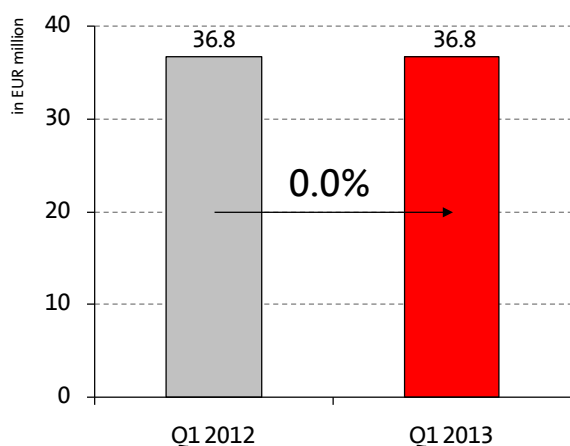
No.	Insurance class	Gross claims paid		Index 2013/2012	Structure Q1 2013
		Q1 2013	Q1 2012		
1	Accident insurance	3,583,743	4,369,112	82	3.3%
2	Health insurance	0	0	0	0.0%
3	Comprehensive car insurance	21,083,062	19,918,881	106	19.4%
4	Real property insurance	12,784,891	15,400,448	83	11.7%
5	Motor liability insurance	16,179,514	17,716,041	91	14.9%
6	General liability insurance	3,657,055	3,627,443	101	3.4%
7	Credit insurance	1,035,871	734,696	141	1.0%
8	Other non-life insurance	3,816,577	2,709,817	141	3.5%
	<b>Non-life insurance</b>	<b>62,140,713</b>	<b>64,476,440</b>	<b>96</b>	<b>57.1%</b>
9	Life insurance	24,377,396	22,821,513	107	22.4%
10	Unit-linked life insurance	14,360,513	9,144,701	157	13.2%
11	Capital redemption insurance	8,017,257	8,975,979	89	7.4%
	<b>Life insurance</b>	<b>46,755,167</b>	<b>40,942,192</b>	<b>114</b>	<b>42.9%</b>
	<b>Total</b>	<b>108,895,881</b>	<b>105,418,632</b>	<b>103</b>	<b>100.0%</b>

#### 4.4.3 Gross operating costs

Gross operating costs totalled EUR 36.8 million and remained at a level approximately equal to the previous year (index 100).

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

Graph: Gross operating costs in Q1 2013 compared to Q1 2012



Operating costs accounted for 20.2% of gross written premium and were 1.6 percentage point higher than in the same period of 2012.

Acquisition costs (fees and charges) totalled EUR 4.1 million and decreased by 3% over the preceding year. Due to large-scale investments in IT, depreciation charges amounted to EUR 2.5 million, increasing 12% compared to 2012. Labour costs amounted to EUR 20.9 million (accounting for the biggest share (56.7%) of total operating costs) and remained at the same level as in the previous year (index 100). Costs of services provided by natural persons other than sole proprietors equalled EUR 0.5 million, representing a decrease of 5% from the year before. In the reporting period, other operating costs reached EUR 8.9 million and were 1% lower compared to the same period last year.

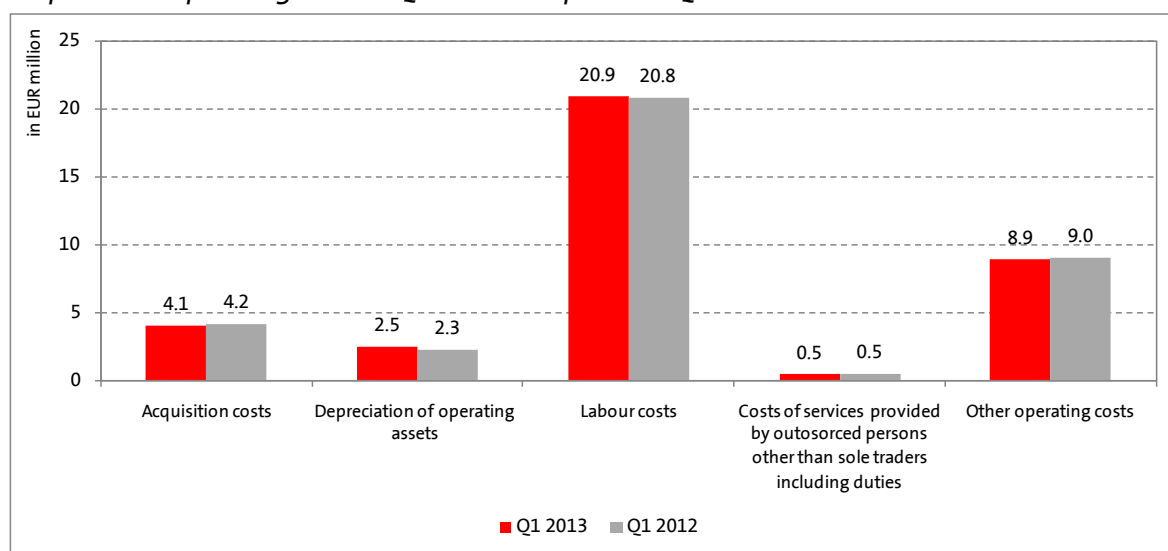
Operating costs for life insurance came to EUR 7.6 million and accounted for 16.2% of gross written premium or 0.3 percentage point more than in the respective period of 2012. Gross operating costs in non-life insurance totalled EUR 29.2 million, their share in gross written premium being 21.5% or 2.0 percentage points more than in the same period of 2012.

In total gross operating costs, broken down by functional groups, costs of insurance contract acquisition accounted for 58.4%, followed by 13.1% in claim handling costs and 1.9% in expenses arising from asset management, whereas other operating expenses represented 26.7%.

*Table: Gross operating costs in Q1 2013 by nature*

Operating costs by nature	Gross operating costs		Index 2013/2012	Structure Q1 2013
	Q1 2013	Q1 2012		
<b>1. Acquisition costs</b>	<b>4,050,934</b>	<b>4,195,388</b>	<b>97</b>	<b>11.0%</b>
<b>2. Depreciation</b>	<b>2,515,230</b>	<b>2,255,105</b>	<b>112</b>	<b>6.8%</b>
<b>3. Labour costs</b>	<b>20,871,920</b>	<b>20,848,664</b>	<b>100</b>	<b>56.7%</b>
3.1 Wages and salaries	15,773,519	15,886,895	99	42.9%
3.2 Social security and pension insurance costs	2,600,933	2,614,212	99	7.1%
3.3 Holiday allowance			0	0.0%
3.4 Allowance for meal	779,705	789,058	99	2.1%
3.5 Allowance for transport to or from work	600,479	588,031	102	1.6%
3.6 Supplemental voluntary pension insurance (SVPI)	719,832	732,374	98	2.0%
3.7 Other labour costs	397,451	238,094	167	1.1%
<b>4. Costs of services provided by outsourced persons other than sole traders including duties</b>	<b>460,751</b>	<b>483,768</b>	<b>95</b>	<b>1.3%</b>
4.1 Costs of work contracts and authorship contracts	171,947	148,672	116	0.5%
4.2 Costs of student employment agency services	288,804	335,096	86	0.8%
<b>5. Other operating expenses</b>	<b>8,898,500</b>	<b>9,022,994</b>	<b>99</b>	<b>24.2%</b>
<b>Total</b>	<b>36,797,334</b>	<b>36,805,919</b>	<b>100</b>	<b>100.0%</b>

*Graph: Gross operating costs in Q1 2013 compared to Q1 2012*



#### 4.4.4 Reinsurance

In the period from 1 January to 31 March 2013, Zavarovalnica Triglav allocated EUR 25.7 million to external equalisation, which was 4% less than in the respective period of 2012. Reinsurance premium accounted for 14.1% of total gross written premium. The change in gross premium reserves related to the reinsurance portion amounting to EUR 11.3 million, which was 3% less

than in the respective period of 2012. A reinsurers' and co-insurers' share of gross claims settled of EUR 4.5 million was received from reinsurance and coinsurance (index 87). The change in gross claims provisions for the reinsurance portion equalled EUR 1.5 million (index 136). The Company also received EUR 3.3 million in reinsurance commissions (index 86).

#### 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. At the end of the first quarter, Zavarovalnica Triglav allocated EUR 2,018.6 million to gross insurance technical provisions, which represented an increase of 1% compared to the end of 2012. In non-life insurance, the amount of gross insurance technical provisions increased by 4%, whereas in life insurance it remained at the same level as in 2012 (index 100).

The total amount of gross insurance technical provisions increased by 1% compared to 31 December 2012.

Provisions by type as at 31 March 2013 compared to 31 December 2012:

- **Gross provisions for unearned premiums** increased by 18% and reached EUR 236.2 million as at 31 March 2013. Unearned premium from non-life insurance totalled EUR 235.7 million (index 118) and from life insurance EUR 509 thousand (index 126).
- **Gross claims provisions** decreased by 1% and amounted to EUR 532.0 million. Claims provisions from non-life insurance totalled EUR 512.2 million (index 99) and those from life insurance EUR 19.7 million (index 102).
- **Mathematical provisions** remained at the same level as at the end of 2012 (index 100), amounting to EUR 1,230.3 million. Of the total amount of mathematical provisions, EUR 651.5 million originated from the long-term business fund backing life insurance, EUR 151.1 million from the long-term business fund backing SVPI, EUR 13.2 million from the long term business fund backing SVPI, i.e. annuities, and EUR 414.7 million from the long-term business fund backing unit-linked life insurance.
- Compared to the end of 2012, **provisions for bonuses and rebates** remained at the same level and as at 31 March 2013 equalled EUR 17.0 million.
- **Other insurance technical provisions** totalled EUR 3.0 million or 34% more than as at the last day of 2012, mostly due to increased provisions for unexpired risks (index 153). This item includes provisions for unexpired risk, which as at 31 March 2013 amounted to EUR 2.0 million, and provisions for cancellations, which totalled EUR 1.0 million (index 107).

*Table: Gross insurance technical provisions*

	Gross insurance technical provisions		Index
	31 March 2013	31 December 2012	2013/2012
Unearned premium	236,240,249	200,453,389	118
Mathematical provisions	1,230,344,598	1,231,565,049	100
Claims provisions	531,975,873	538,904,153	99
Provisions for bonuses and rebates	16,958,869	16,958,869	100
Other insurance technical provisions	3,038,476	2,269,292	134
<b>Total</b>	<b>2,018,558,066</b>	<b>1,990,150,752</b>	<b>101</b>

#### 4.4.6 Structure of financial assets as at 31 March 2013

Financial assets, investments in subsidiaries and associated companies and investment property as at 31 March 2013 stood at EUR 2,309.6 million, or 1% more than at the 2012 year-end. In total assets, their share decreased by 1.4 percentage points and represented 86.6%.

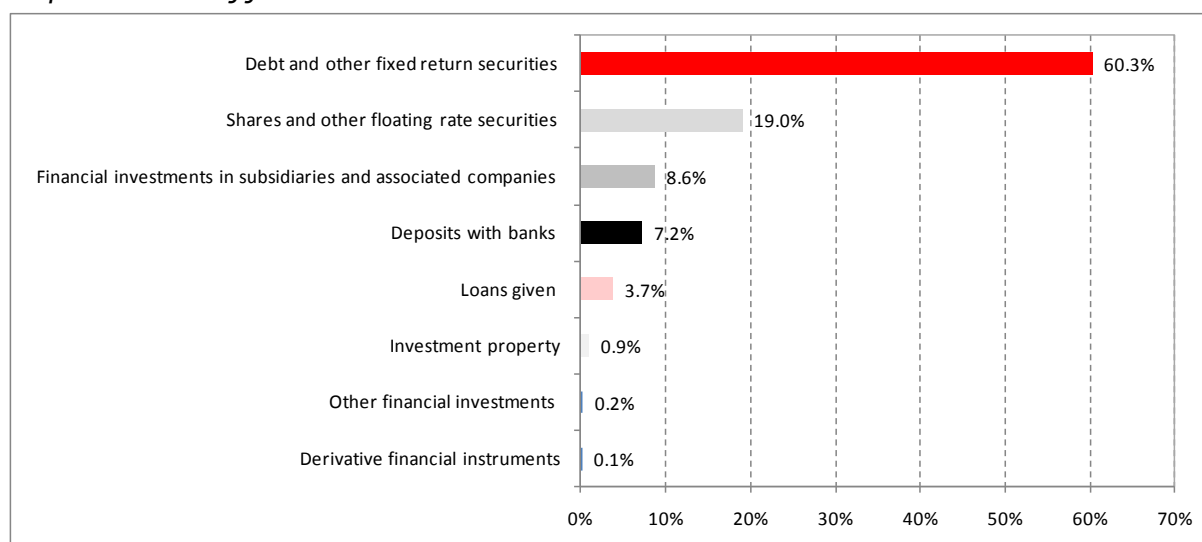
With 60.3%, debt and other fixed-return securities accounted for the bulk of total financial assets. Compared to 31 December 2012, they decreased by 3%. At the end of the first quarter they reached EUR 1,392.1 million. In terms of volume they were followed by shares and other floating rate securities, which as at 31 March 2013 totalled EUR 439.6 million and remained at a level approximately equal to the 2012 year-end (index 100). They accounted for 19.0% of total investments. Investments in subsidiaries and associated companies also remained at the same level as in 2012 (index 100) and as at 31 March 2013 amounted to EUR 199.1 million (8.6%). Deposits with banks (which account for 7.2% of the total) increased by 56% to EUR 165.8 million at the end of the first quarter. Loans given decreased by 1% over the end of 2012 (EUR 86.5 million), accounting for 3.7% of total investments.

As at 31 March 2013 the smallest share (0.9%) in total investments was represented by investment property equalling EUR 20.6 million, followed by derivative financial instruments of EUR 1.9 million (0.1%) and other financial investments amounting to EUR 4.1 million (0.2%). Compared to 31 December 2012, investment property increased by 6%, derivative financial instruments by 5%, whereas other financial investments decreased by 3%.

*Table: Financial assets as at 31 March 2013*

	Financial investments		Index 2013/2012
	31 March 2013	31 December 2012	
Investment property	20,571,726	19,344,982	106
Financial investments in subsidiaries and associated companies	199,070,263	198,384,257	100
Shares and other floating rate securities	439,642,926	439,247,298	100
Debt and other fixed return securities	1,392,105,101	1,433,787,360	97
Derivative financial instruments	1,909,027	1,820,661	105
Loans given	86,470,281	87,305,203	99
Deposits with banks	165,784,665	106,596,160	156
Other financial investments	4,059,279	4,167,319	97
<b>Total</b>	<b>2,309,613,268</b>	<b>2,290,653,239</b>	<b>101</b>

*Graph: Structure of financial assets as at 31 March 2013*



## 5. FINANCIAL RESULT AND FINANCIAL STANDING

### 5.1 Triglav Group

#### 5.1.1 Financial result

Despite tight conditions, the Triglav Group performed well and ended Q1 with a profit. Net profit before tax reached EUR 28.5 million, increasing by 33% over 2012. Net profit amounted to EUR 22.9 million and was 30% higher compared to the respective period of 2012. Net profit attributable to the shareholders of controlling company amounted to EUR 22.8 million (index 134); whereas net profit attributable to minority shareholders totalled EUR 145 thousand (index 22). The Group achieved such interim results by consistently realising its strategic goals and values, focused on its core business, by implementing adequate risk management, underwriting and reinsurance policies as well as by implementing business policy measures geared towards mitigating the negative impacts of the financial crisis.

Despite tight operating conditions, the Triglav Group ended Q1 with a profit of EUR 22.9 million or 30% more than in the same period last year.

In non-life insurance the combined ratio, which shows profitability of operations, was 90.3% (84.9% in 2012). 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.

The financial crisis negatively affected the demand for insurance products. 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 208.9 million and was 6% lower than in the respective period of 2012. Net premium earned from health insurance grew by 20%, whilst net non-life and life premium earned decreased by 9% and 7% respectively. Gross written premium from reinsurance and co-insurance operations totalled EUR 26.8 million, representing a 10% decrease compared to 2012. Net unearned premiums grew by EUR 23.1 million (index 105).

Net claims incurred (gross claims increased by assessment costs, reduced by the reinsurers' and co-insurers' shares and subrogated receivables, adjusted by the change in gross claims provisions taking into account the reinsurers' share in these provisions) increased by 7% and totalled EUR 149.2 million. Net claims incurred from non-life insurance increased by 1%, by 13% from life insurance and by 14% from health insurance. The reinsurers' and co-insurers' shares in gross claims decreased by 21% and totalled EUR 3.5 million. The change in net claims provisions was EUR -6.5 million, compared with EUR -8.9 million in the same period of 2012. Equalisation scheme expenses for supplemental health insurance increased by 9% and totalled EUR 1.9 million.

Investment income totalled EUR 41.1 million (index 60); while investment expenses amounted to EUR 17.1 million (index 30). Through large-scale impairment of financial assets, carried out in 2012, as a consequence of unfavourable trends in the capital markets and the developments in the banking sector which negatively affected the value of some of its assets, Zavarovalnica Triglav managed to effectively adjust the value of its portfolio, which had a favourable effect on its investment return. In the reporting period, investment return, i.e. the difference between investment income and expenses, totalled EUR 24.1 million and was 114% higher compared to the same period last year.

Due to reduced mathematical provisions, changes in other insurance technical provisions summed up to EUR -3.9 million.

The change in insurance technical provisions for unit-linked insurance contracts reached EUR 10.7 million (EUR 1.0 million in 2012) due to the increase in the unit price, while expenses for bonuses and discounts amounted to EUR 2.5 million (index 106).

Operating expenses (costs of insurance contract acquisitions and other operating expenses) amounted to EUR 45.1 million and were 2% lower. Acquisition costs totalled EUR 28.2 million (index 97); whereas other operating expenses amounted to EUR 16.9 million (index 100).

Other insurance income totalled EUR 2.4 million, having decreased by 65%. Other income totalled EUR 18.6 million or 8% less than in 2012. Other insurance expenses equalled EUR 4.9 million (index 40); whereas other expenses reached EUR 17.0 million (index 100).

*Table: Individual items in the consolidated income statement of the Triglav Group for Q1 2013*

	in EUR		
	Q1 2013	Q12012	Index
Net premium earned	208,859,465	221,572,759	94
Income from financial assets	41,132,432	68,076,776	60
Other income from insurance operations	2,373,703	6,700,936	35
Other income	18,591,448	20,158,178	92
Net claims incurred	149,178,850	139,759,091	107
Change in other insurance technical provisions	-3,922,440	19,351,784	
Change in insurance technical provisions for unit-linked insurance contracts	10,730,293	1,046,410	1025
Expenses for bonuses and discounts	2,454,390	2,308,168	106
Operating expenses	45,062,954	45,919,618	98
Expenses from financial assets and liabilities	17,063,906	57,334,061	30
Other insurance operations	4,932,561	12,420,393	40
Other expenses	16,996,898	16,973,555	100
<b>Profit /loss before tax</b>	<b>28,459,636</b>	<b>21,395,569</b>	<b>133</b>
Income tax expense	5,556,369	3,769,118	147
<b>Net profit/loss for the accounting period</b>	<b>22,903,267</b>	<b>17,626,451</b>	<b>130</b>

### 5.1.2 Financial standing

As at 31 March 2013, the total balance sheet assets of the Triglav Group stood at EUR 3,195.2 million, which is 2% higher over the end of 2012.

The total value of equity as at 31 March 2013 was EUR 587.0 million or 2% more than at the end of 2012. The portion of equity in the balance sheet total was 18.4% and has not changed compared to 2012. Equity attributable to the controlling company amounted to EUR 580.9 million, while non-controlling interest holders had EUR 6.2 million. The share capital of EUR 73.7 million was divided into 22,735,148 ordinary shares.

**Total equity increased by 2% over the end of 2012.**

The fair value reserve, which represents changes in the fair value of available-for-sale financial assets, totalled EUR 42.2 million. Share premium amounted to EUR 56.8 million, while reserves from profit totalled EUR 253.3 million.

Accumulated profits stood at EUR 158.3 million. In addition to EUR 22.7 million in net profit for the year, accumulated profits also include EUR 135.6 million of net profit brought forward.



Compared to the end of 2012, subordinated liabilities remained the same and as at 31 March 2013 equalled EUR 37.1 million. Subordinated liabilities accounted for 1.2% of the balance sheet total.

On the liabilities side, gross insurance technical provisions increased by 1% and stood at EUR 2,336.5 million. In the balance sheet total, their share decreased by 0.7 percentage point, over the end of 2012, from 73.8% to 73.1%. As at 31 March 2013, mathematical provisions amounted to EUR 1,288.0 million and were at a level approximately equal to the 2012 year-end (index 100). Provisions for gross unearned premiums increased by 15%, whilst gross claims provisions fell by 1%. Other insurance-technical provisions remained at a level approximately equal to 2012 (index 100).

Financial liabilities increased by 49% to EUR 58.8 million. They accounted for 1.8% of the total balance sheet liabilities.

Operating liabilities as at the 31 March 2013 totalled EUR 76.6 million or 32% more than at the 2012 year-end. In total balance sheet liabilities they accounted for 2.4%, which is 0.5 percentage point higher. Liabilities from direct insurance operations increased by 25% and reached EUR 26.0 million. Liabilities from co-insurance and reinsurance operations amounted to EUR 44.1 million or 20% more than at the 2012 year-end. Current tax liabilities equalled EUR 6.5 million (EUR 594 thousand at the end of 2012).

Other liabilities and other provisions decreased by 10%. As at 31 March 2013, they stood at EUR 69.4 million, representing a 2.2% share of total assets.

Deferred tax liabilities amounted to EUR 19.2 million (index 90) and accounted for 0.6% of total liabilities.

Financial assets, financial investments in associated companies and investment property as at 31 March 2013 stood at EUR 2,578.8 million, which was 1% more than at the end of 2012. They accounted for 80.7% of total assets.

As at 31 March 2013, financial assets stood at EUR 2,467.2 million, which is 1% higher compared to the 2012 year-end. Their share in total assets dropped by 1.1 percentage points down to 77.2%. Unit-linked insurance assets amounted to EUR 430.2 million (index 103) and financial investments to EUR 2,037.0 million (index 100). In total financial investments, EUR 313.5 million was accounted for by deposits and loans (index 115) and EUR 227.2 million by investments held to maturity (index 99). Moreover, investments available for sale totalled EUR 1,380.1 million (index 97) and investments recognised at fair value through profit and loss equalled EUR 116.2 million (index 108).

The Triglav Group's financial investments in associates fell by 2%, totalling EUR 14.2 million and representing a 0.4% share of total assets.

Investment property as at 31 March 2013 reached EUR 97.4 million. Its value decreased by 3% and accounted for 3.0% of total assets.

The Group's receivables as at 31 March 2013 were 17% higher compared to the 2012 year-end and stood at EUR 227.4 million. They accounted for 7.1% of total assets. Receivables from direct insurance operations increased by 30% to EUR 135.5 million. Receivables from co-insurance and reinsurance operations reached EUR 43.2 million (index 101), other receivables stood at EUR 43.7 million (index 113) and current tax receivables at EUR 5.0 million (index 53).

Total insurance technical provisions transferred to reinsurance contracts of the Group were EUR 92.7 million, having increased by 11% compared to the 2012 year-end. Assets from reinsurance contracts from claim provisions totalled EUR 65.1 million, while unearned premium equalled EUR 27.6 million.

Property, plant and equipment amounted to EUR 131.1 million (index 101) and accounted for 4.1% of total assets. Intangible assets of EUR 71.9 million (index 108) represented 2.3% of total assets.

Cash and cash equivalents equalled EUR 19.7 million (index 114), other assets amounted to EUR 36.0 million (index 107) and non-current assets held for sale stood at EUR 2.3 million (index 100).

*Table: Individual items in the consolidated balance sheet of the Triglav Group as at 31 March 2013*

Assets	in EUR		
	31 March 2013	31 December 2012	Index
Intangible assets	71,898,587	66,878,286	108
Property, plant and equipment	131,121,826	130,350,482	101
Investment property	97,363,476	100,186,863	97
Investment in associates	14,161,111	14,384,184	98
Financial assets	2,467,226,402	2,445,878,652	101
Reinsurers' share of technical provisions	92,692,067	83,575,712	111
Deferred tax receivables	262,767,857	229,284,769	115
Other assets	35,985,405	33,680,408	107
Cash and cash equivalents	21,985,408	19,589,037	112
<b>Total assets</b>	<b>3,195,202,139</b>	<b>3,123,808,393</b>	<b>102</b>

Equity and liabilities	in EUR		
	31 March 2013	31 December 2012	Index
Equity	587,045,650	574,563,757	102
Subordinated liabilities	37,075,184	37,025,550	100
Insurance technical provisions	1,908,457,117	1,887,920,781	101
Insurance technical provisions for unit-linked insurance contracts	428,008,180	417,338,984	103
Employee benefits	10,626,387	10,573,673	100
Deferred tax liabilities	19,165,634	21,351,998	90
Other financial liabilities	58,834,413	39,380,566	149
Operating liabilities	76,566,318	58,150,107	132
Other liabilities and other provisions	69,423,256	77,502,977	90
<b>Total equity and liabilities</b>	<b>3,195,202,139</b>	<b>3,123,808,393</b>	<b>102</b>

## 5.2 Zavarovalnica Triglav d.d.

### 5.2.1 Financial result

In the first quarter of 2013, Zavarovalnica Triglav posted a net profit of EUR 20.0 million representing a 46% growth compared to the respective period of 2012. Profit before tax also increased by 46% compared to the same period of 2012, totalling EUR 24.8 million.

Despite difficult economic and financial conditions, Zavarovalnica Triglav earned a net profit of EUR 20.0 million which is 46% more than in the

Net premium earned amounted to EUR 137.9 million or 9% less in nominal terms compared to the same period of 2012. Net premium income dropped by 9% from non-life insurance contracts and 7% from life insurance contracts. Gross written premium from reinsurance and co-insurance operations fell by EUR 25.7 million, representing a 4% decrease compared to the same period in 2012. Gross unearned premium grew by EUR 19.0 million which was 6% less compared to the previous year.

For the respective period, the Company reported net claims incurred of EUR 98.9 million representing a 10% increase from one year earlier. In comparison with the year before, net claims incurred from non-life insurance increased by 6% and from life insurance by 14%. The reinsurers' and co-insurers' shares of gross claims decreased by 13% over the first quarter of 2012 and totalled EUR 4.5 million. In the reporting period net claims provisions increased by EUR 5.5 million and were 45% lower compared to the respective period of 2012.

Operating costs (total functional costs of insurance contract acquisition and other operating costs) equalled EUR 31.3 million and were 1% higher than in the same period last year. Acquisition costs totalled EUR 21.5 million and other operating costs came to EUR 9.8 million.

Income from financial assets totalled EUR 35.2 million (index 58), of which EUR 8.7 million (index 50) came from non-life insurance and EUR 26.5 million (index 61) from life insurance. In the same period investment expenses reached EUR 14.2 million (index 27). In the reporting period, investment return, i.e. the difference between investment income and expenses, totalled EUR 21.0 million (index 168) and were 168% higher than the last year. Through large-scale impairment of financial assets, carried out in 2012, as a consequence of unfavourable trends in the capital markets and the developments in the banking sector which negatively affected the value of some of its assets, Zavarovalnica Triglav managed to effectively adjust the value of its portfolio, which had a favourable influence on its performance in the first quarter of 2013.

Zavarovalnica Triglav effectively adjusted the value of its portfolio.

Other income from insurance operations decreased by 47% and totalled EUR 4.3 million, in which fees and commission income amounted to EUR 3.4 million (index 46). Other insurance expenses totalled EUR 1.9 million (index 23).

*Table: Individual items in the non-consolidated income statement of Zavarovalnica Triglav d.d. for the period from 1 January to 31 March 2013*

	in EUR		
	Q1 2013	Q1 2012	Index
Net premium earned	137,854,155	150,780,293	91
Income from financial assets	35,181,160	60,747,063	58
Other income from insurance operations	4,342,338	8,252,327	53
Other income	1,594,680	1,386,127	115
Net claims incurred	98,873,874	90,285,661	110
Change in other insurance technical provisions	-4,440,162	-3,469,834	128
Change in insurance technical provisions for unit-linked insurance contracts	9,755,286	22,630,171	43
Expenses for bonuses and discounts	2,202,807	2,025,390	109
Operating expenses	31,305,457	31,109,674	101
Expenses from financial assets and liabilities	14,151,318	52,911,677	27
Other insurance expenses	1,944,659	8,280,864	23
Other expenses	370,502	383,424	97
<b>Profit/loss before tax</b>	<b>24,808,592</b>	<b>17,008,781</b>	<b>146</b>
Income tax expense	4,831,736	3,317,941	146
<b>Net profit/loss for the accounting period</b>	<b>19,976,856</b>	<b>13,690,840</b>	<b>146</b>

## 5.2.2 Financial standing

Total assets of Zavarovalnica Triglav as at 31 March 2013 stood at EUR 2,666.4 million and were 2% higher compared to the 2012 year-end.

The total value of equity as at 31 March 2013 was EUR 518.8 million or 2% more than at the 2012 year-end. The portion of capital in the balance sheet total was 19.5%, i.e. the same as at the end of 2012. Share capital of EUR 73.7 million was divided into 22,735,148 ordinary registered no-par value shares. Share premium amounted to EUR 53.4 million and reserves from profit to EUR 236.3 million which meant no change compared to the 2012 year-end. Fair value reserve, which represents a change in the fair value of available-for-sale financial assets, stood at EUR 37.2 million and decreased by 19%. Net profit brought forward amounted to EUR 98.2 million (index 135), while net profit for the accounting period stood at EUR 20.0 million.

The total value of equity increased by 2% compared to the 2012 year-end.

On the liabilities side, gross insurance technical provisions rose by 1% to EUR 2,018.6 million as at 31 March 2013. In the balance sheet total, their share decreased by 0.8 percentage point compared to the 2012 year-end, from 76.5 to 75.7%.

Operating liabilities stood at EUR 38.3 million, which was 47% more in comparison with the 2012 year-end. Liabilities from direct insurance operations amounted to EUR 15.3 million (index 122), liabilities from co-insurance and reinsurance operations reached EUR 17.4 million (index 128) and current tax liabilities totalled EUR 5.6 million.

As at 31 March 2013, financial liabilities totalled EUR 20.2 million compared to EUR 1.0 million at the end of 2012. They accounted for 0.8% of the balance sheet total.

Other liabilities dropped by 25% to EUR 22.8 million. They accounted for 0.9% of total liabilities.

Financial assets, financial investments in subsidiaries and associated companies as well as investment property as at 31 March 2013 stood at EUR 2,309.6 million, which was 1% more than at the 2012 year-end. They accounted for 86.6% of total assets.

As at 31 March 2013, financial assets stood at EUR 2,090.0 million, which represents a 1% increase compared to the 2012 year-end. With 52.6%, available-for-sale financial assets account for the bulk of total financial assets: they amounted to EUR 1,098.5 million (index 96). Unit-linked insurance assets totalled EUR 416.9 million, accounting for 19.9% of total financial assets. Compared to the 2012 year-end these assets were up 3%. Held-to-maturity investments reached EUR 198.5 million and remained at a level approximately equal to 2012. Deposits and loans amounted to EUR 265.9 million, increasing by 19%. Financial investments measured at fair value through profit or loss reached EUR 110.2 million, representing an increase of 10% over the end of 2012.

As at 31 March 2013 investment property stood at EUR 20.6 million (index 106) and financial investments in subsidiaries and associated companies amounted to EUR 199.1 million (index 100).

Assets and deferred tax assets totalled EUR 143.3 million or 27% more than at the end of 2012, with the largest portion of these assets represented by receivables from direct insurance operations, which amounted to EUR 96.7 million (index 138).

Total insurance technical provisions transferred to reinsurance contracts were EUR 85.2 million having increased by 13% compared to 31 December 2012. Assets from reinsurance contracts from claim provisions totalled EUR 57.4 million, while unearned premium equalled EUR 27.8 million.

Property, plant and equipment amounted to EUR 64.2 million (index 97) and accounted for 2.4% of total assets. Intangible assets of EUR 58.4 million represented 2.2% of total assets (index 110).

*Table: Individual items in the non-consolidated balance sheet of Zavarovalnica Triglav as at 31 March 2013*

Assets	in EUR		Index
	31 March 2013	31 December 2012	
Intangible assets	58,398,088	53,298,272	110
Property, plant and equipment	64,229,995	66,300,323	97
Investment property	20,571,726	19,344,982	106
Investments in subsidiaries and in associated companies	199,070,263	198,384,257	100
Financial assets	2,089,971,280	2,072,924,001	101
Reinsurers' share of insurance technical provisions	85,246,328	75,391,557	113
Receivables and deferred tax receivables	143,313,397	112,912,842	127
Other assets	2,819,471	2,225,894	127
Cash and cash equivalents	2,755,503	2,278,084	121
<b>Total assets</b>	<b>2,666,376,050</b>	<b>2,603,060,213</b>	<b>102</b>
<b>Equity and liabilities</b>			
Equity	518,780,905	507,657,101	102
Subordinated liabilities	38,729,877	38,721,260	100
Insurance technical provisions	1,603,902,896	1,585,250,868	101
Insurance technical provisions for unit-linked insurance contracts	414,655,170	404,899,884	102
Other provisions	9,020,963	8,929,226	101
Other financial liabilities	20,190,327	962,561	2.098
Operating liabilities	38,336,114	26,135,315	147
Other liabilities	22,759,799	30,503,998	75
<b>Total equity and liabilities</b>	<b>2,666,376,050</b>	<b>2,603,060,213</b>	<b>102</b>

## 6. RISK MANAGEMENT

### 6.1 Risk management in the first quarter of 2013

The debt crisis in the EU member states remains the main source of the investment risk to which the Triglav Group is exposed.

Already last year, sovereign government bond credit spreads of the euro area countries started falling. The reasons can be found in the measures of the European Central Bank (hereinafter: the ECB) which in the summer 2012 decreased the key interest rate to the record low of 0.75%, together with the other interest rates, the aim being to stimulate lending to banks and companies. The ECB announced it would buy unlimited quantities of short-term bonds of distressed countries in the euro area. Markets were also appeased by the establishment of the European Stability

The debt crisis and mistrust of international financial markets regarding Slovenia's capacity to carry out additional reforms and preserve political stability were the main sources of the investment risk.

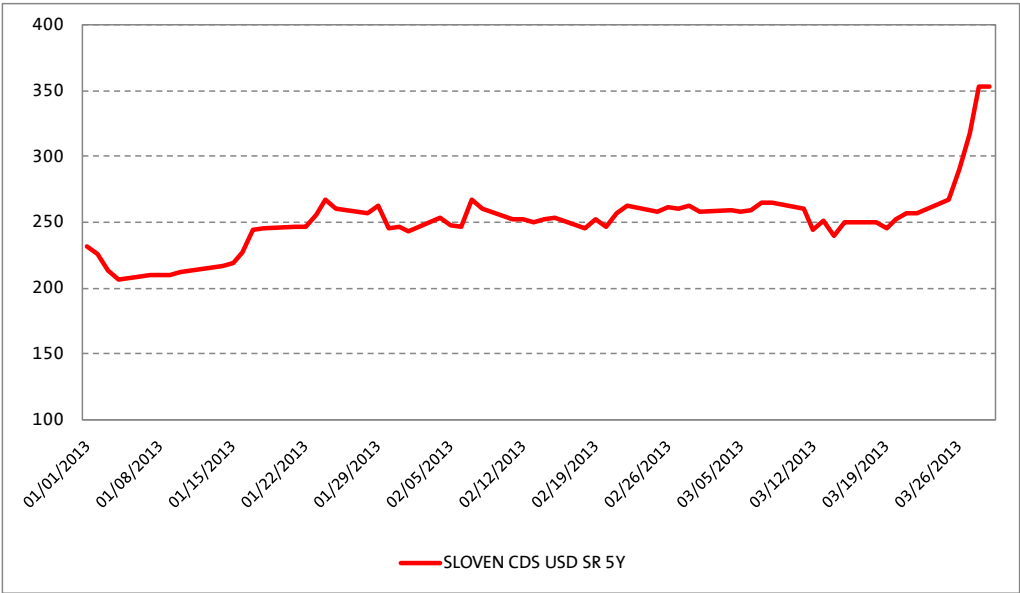
Mechanism aimed at providing assistance to countries in the euro area. The end of 2012 saw a stabilization of the cycle when the S&P credit rating agency increased the rating of Greece by 6 notches to »B-«, while at the beginning of 2013 the Fitch credit rating agency increased the rating of Iceland to »BBB«.

Credit spread adjustments and stabilisation on the sovereign debt securities market in the first quarter of 2013 meant the continuation of trends from 2012. Positive effects of the actions by western central banks were not even limited by the uncertainty arising from the elections in Italy, the loss of the triple-A rating on the UK and the sequestration or reduced state consumption in the USA.

In the first quarter of 2013, most uncertainties were related to the elections in Italy and the request for international monetary assistance by Cyprus which thus became the fifth country applying for international assistance. At the end of the first quarter this international assistance was approved and markets immediately started worrying whether the Cyprus rescue model would also be used for any other possible rescue operations. Slovenia became the focus of attention of financial markets and the media due to speculations that it could become the next country applying for international assistance.

In the first quarter the Slovene government lost its support which led to political instability in the country. Standard & Poor's Rating Services downgraded the rating on Slovenia from »A« to »A-«, but upgraded the outlook from negative to positive. This rating cut was caused by the possibility of an increased debt burden due to the support to state-owned banks and uncertain prospects regarding the economic growth. Thus, the situation for investors in Slovenia became much more risky than at the beginning of 2013 when there were even signs of improvement due to the adopted pension reform and the decision made on the method of recovering the banking system. At the beginning of March the labour market reform was adopted, whilst in the second half of March a bad bank was established and Slovenia got a new government to which financial markets reacted negatively. Sovereign bond credit spreads immediately began to widen, causing an even more costly borrowing of the state as presented in the graph below.

*Graph: Movements of the credit spread on Slovene bonds in Q12013*



The international financial markets were also influenced by the situation on the Korean peninsula, conditions on foreign exchange markets and devaluation of some currencies, budget sequestration or reduced state consumption in the USA, share indexes hitting a record

high in the USA, stimulation programme of the Japanese central bank, repeated recession of the European Union, continued decrease in borrowing and budget deficits of individual countries. In this period, Croatia received a green light to enter the European Union and Moody's credit rating agency cut its rating from »Baa3« to »Ba1« with a negative outlook.

Following a downgrade of the Republic of Slovenia, reflecting the general state of public finances and economy of the country, Standard & Poor's Ratings Services in Q1 cut the long-term credit rating of the Triglav Group, which applies to Zavarovalnica Triglav and Pozavarovalnica Triglav Re, by one notch from »A-« to »BBB+« and upgraded the outlook to positive. In March, the AM Best credit rating agency assigned Zavarovalnica Triglav and thus also the Triglav Group a financial strength rating of »A-«(excellent) and an issuer credit rating of »A-« AM Best assigned the same joint credit rating to Pozavarovalnica Triglav Re. The ratings have a positive outlook. Credit rating is discussed in greater detail in Section 3.3 *Credit rating*.

Being a major investor in the Slovene government debt market, Zavarovalnica Triglav is particularly exposed to such pertaining financial risks. Therefore, its financial risk management activities were focused on credit risk exposure and on maintaining an adequate assets and liability structure. Since the beginning of 2010, the Company has been carefully monitoring the exposure to debt securities of the euro area countries. As conditions in the capital markets remain volatile, the Company paid particular attention to monitoring their effects on the assets and liabilities structure, adapting investment policies of individual long-term business funds and assets backing liabilities when needed. In doing so, the Company employed results of different capital adequacy models as well as the stress testing results.

The future uncertainty and volatility of financial markets will depend on many factors. The major ones will be the following: establishment of a banking union and euro crisis rescue developments, financial market movements in the USA – affecting, of course, the entire global financial system – and, in Slovenia, primarily the successful establishment of a bad bank and the adoption of additional reforms urgently needed to avoid possible international bail-out assistance and to enable future economic development. In the near future these factors will have the greatest impact on the Group's investment activities and the value of its portfolio, whilst the state of the real economy will continue to shape its insurance business.

Other information detailed in the section on risk management of the 2012 Annual Report remain accurate.

## **6.2 Significant types of risks in the first quarter of 2013**

Zavarovalnica Triglav's assets and liabilities will be significantly affected by the development of the economic environment in Slovenia, which remains weak. The biggest share of risks pertain to the implementation of the policy to solve the economic and budgetary pressures, which limits the capacity of Slovenia to carry out measures for strengthening the banking system, public finance and economic growth. Nevertheless, due to fiscal consolidation in 2012, the deficit has already decreased to 4% of GDP, having dropped from 6.4% in 2011. Further fiscal consolidation will therefore be necessary and new or additional reforms will have to be carried out in the medium-term – following the already implemented pension reform. The effectiveness of the labour market reform – intended to improve the employment prospects and reduce the pressures on the social security fund – will also become clear. Considering the situation in Slovenia, the Company is foremost exposed to the risks of policyholders defaulting on the payment of premiums and risks related to the selection of underwritten risks as well as investment risks.

Despite some reassurance, the situation on the European markets remains uncertain due to ongoing reforms, fiscal consolidation and reduction of indebtedness. Moreover, the EU again recorded negative economic growth. In view of that entire situation it is estimated that uncertain outcome of the debt crisis and its effect on the Company's exposure to financial risks will continue to present the greatest risk. The credit risk (counterparty's default risk) of government securities remains high as well as the credit spread risk.

It is therefore estimated that uncertain outcome of the debt crisis and its effect on the Company's exposure to financial risks will continue to present the greatest risks.

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

The Company thus plans to pay particular attention to risk management of the long-term business 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 2013, the Internal Audit Department complied with its annual and operational work programme. It carried out 4 planned internal audits of various divisions of Zavarovalnica Triglav and started 2 internal audits in subsidiaries to be concluded in the second quarter. The findings will be reported to the Management Board and to the management of the audited divisions.

The Internal Audit Department also carried out informal advisory activities and Internal Auditing Quality Improvement activities, monitored the implementation of recommendations made by internal and external auditors as well as reported to the Management and Supervisory Boards about the work done.

## **7. HUMAN RESOURCE MANAGEMENT IN THE TRIGLAV GROUP**

### **7.1 Number of employees**

As at 31 March 2013, there were 5,407 employees in the Triglav Group, which is 28 more than at the end of 2012.



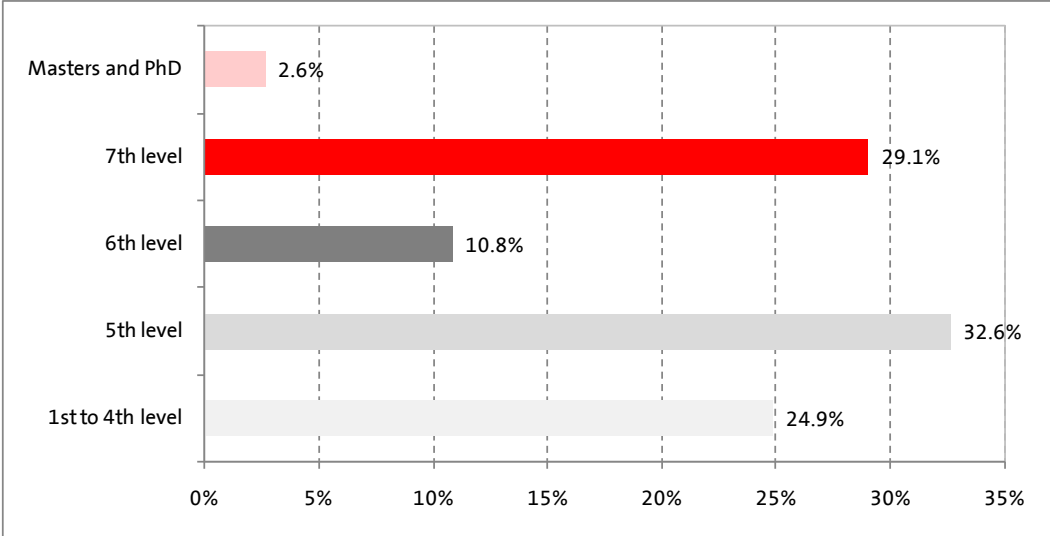
Table: Number of employees in the Triglav Group as at 31 March 2013 by its members

Member of the Triglav Group	Number of employees		Difference 2013-2012
	31 March 2013	31 December 2012	
Zavarovalnica Triglav d.d., Ljubljana	2,405	2,405	0
Pozavarovalnica Triglav RE d.d., Ljubljana	40	41	-1
Triglav, Zdravstvena zavarovalnica d.d., Koper	76	77	-1
Triglav Osiguranje d.d., Zagreb	544	532	12
Triglav Osiguranje d.d., Sarajevo	242	242	0
Triglav Pojišt'ovna a.s., Brno	123	123	0
Lovćen Osiguranje a.d., Podgorica	279	283	-4
Triglav Osiguranje a.d.o., Belgrade	458	449	9
Triglav penzijski fondovi a.d., Belgrade	0	5	-5
Triglav Osiguranje a.d., Banja Luka	80	81	-1
Triglav Osiguruvanje a.d., Skopje	182	168	14
Triglav Skladi d.o.o., Ljubljana	37	37	0
AS Triglav d.o.o., Ljubljana	31	31	0
TRI-PRO d.o.o., Domžale	79	73	6
Triglav nepremičnine d.o.o., Ljubljana	43	49	-6
Triglav Naložbe d.d., Ljubljana	6	6	0
Slovenijales d.d., Ljubljana	136	132	4
Golf Arboretum d.o.o., Volčji potok	11	11	0
Gradis IPGI d.d., Ljubljana	1	1	0
TRI-PRO BH d.o.o., Sarajevo	14	16	-2
Unis automobili i dijelovi d.o.o., Sarajevo	34	33	1
Autocentar BH d.o.o., Sarajevo	45	45	0
Triglav INT d.d., Ljubljana	5	5	0
Lovćen životna osiguranja a.d., Podgorica	8	8	0
Sarajevostan d.d., Sarajevo	119	121	-2
Triglav Auto d.o.o., Banja Luka	0	0	0
Lovćen auto a.d., Podgorica	114	114	0
Avrigo d.o.o., Nova Gorica	205	202	3
Integral Notranjska d.o.o., Cerknica	16	16	0
Integral Zagorje d.o.o., Zagorje ob Savi	47	47	0
Integral Stojna Kočevje d.o.o., Kočevje	27	26	1
Alptours d.o.o., Bovec	0	0	0
<b>Total</b>	<b>5,407</b>	<b>5,379</b>	<b>28</b>

## 7.2 Education structure of employees

In comparison with the 2012 year-end, the number of employees with elementary school education decreased, while an increase was registered in the number of employees with masters' and doctoral degrees, post-secondary education and secondary school education.

Graph: Employees of the Triglav Group as at 31 March 2103 - structure by education level



## STATEMENT OF MANAGEMENT'S RESPONSIBILITY

The Management Board herewith confirms the financial statements for the period from 1 January 2013 to 31 March 2013 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 2013 to 31 March 2013 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 good management. The Management Board further confirms that the financial statements and the notes thereto were prepared on a going concern basis for Zavarovalnica Triglav d.d. and the Triglav Group and in line with the applicable legislation and International Financial Reporting Standards, as adopted by the EU.

The Management Board confirms that the interim business report of the Triglav Group and Zavarovalnica Triglav d.d. for the period from 1 January 2013 to 31 March 2013 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 and for the adoption of appropriate measures for the safeguarding of assets, and for the prevention and detection of fraud and other irregularities or illegal acts.



Matjaž Rakovec  
President of the Management Board



Andrej Slapar  
Member of the Management Board



Stanislav Vrtunski  
Member of the Management Board



Benjamin Jošar  
Member of the Management Board



Marica Makoter  
Member of the Management Board, Employee Representative

**Unaudited Financial Statements of Zavarovalnica  
Triglav d.d. and the Triglav Group  
and notes thereto for the period  
from 1 January 2013 to 31 March 2013**

## CONTENTS

<b>1. FINANCIAL STATEMENTS OF ZAVAROVALNICA TRIGLAV D.D. ....</b>	<b>3</b>
<b>2. FINANCIAL STATEMENTS OF THE TRIGLAV GROUP.....</b>	<b>8</b>
<b>3. SELECTED NOTES TO FINANCIAL STATEMENTS .....</b>	<b>14</b>
3.1. Statement of compliance .....	14
3.2. Main accounting policies and estimates .....	14
3.3. Seasonal operations .....	14
3.4. Segmental analysis of Zavarovalnica Triglav's operations.....	14
3.5. Segmental analysis of operations of the Triglav Group.....	17
3.6. Significant items of statement of financial position .....	26
3.7. Changes in equity stakes in subsidiaries and business combinations.....	28
3.8. Related party transactions .....	29
3.9. Other significant events in the reporting period .....	33
3.10. Significant subsequent events .....	34

# 1. FINANCIAL STATEMENTS OF ZAVAROVALNICA TRIGLAV D.D.

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

	(in EUR)		
	31 March 2013	31 December 2012	Index
<b>ASSETS</b>	<b>2,666,376,050</b>	<b>2,603,060,213</b>	<b>102</b>
Intangible assets	58,398,088	53,298,272	110
Property, plant and equipment	64,229,995	66,300,323	97
Deferred tax receivables	17,751,198	14,638,478	121
Investment property	20,571,726	19,344,982	106
Investments in subsidiaries	186,303,301	185,617,295	100
Investments in associates	12,766,962	12,766,962	100
Financial assets	2,089,971,280	2,072,924,001	101
Financial investments	1,673,098,994	1,666,421,213	100
- loans and deposits	265,938,829	222,777,533	119
- held to maturity	198,462,139	199,277,500	100
- available for sale	1,098,514,886	1,144,343,784	96
- investments recognised at fair value	110,183,140	100,022,396	110
Unit-linked insurance assets	416,872,285	406,502,788	103
Reinsurers' share of technical provisions	85,246,328	75,391,557	113
Receivables	125,562,199	98,274,364	128
- receivables from direct insurance operations	96,667,616	70,291,060	138
- receivables from reinsurance and co-insurance operations	6,999,279	8,243,477	85
- current tax receivables	3,110,948	7,403,575	42
- other receivables	18,784,356	12,336,252	152
Other assets	2,819,471	2,225,894	127
Cash and cash equivalents	2,755,503	2,278,084	121
<b>EQUITY AND LIABILITIES</b>	<b>2,666,376,050</b>	<b>2,603,060,213</b>	<b>102</b>
Equity	518,780,905	507,657,101	102
- share capital	73,701,392	73,701,392	100
- share premium	53,412,884	53,412,884	100
- reserves from profit	236,286,919	236,286,919	100
- fair value reserve	37,196,854	46,049,906	81
- net profit brought forward	98,205,999	72,813,826	135
- net profit/loss for the year	19,976,856	25,392,174	79
Subordinated liabilities	38,729,877	38,721,260	100
Insurance technical provisions	1,603,902,896	1,585,250,868	101
- unearned premiums	236,240,249	200,453,389	118
- mathematical provisions	815,689,428	826,665,165	99
- claims provisions	531,975,873	538,904,153	99
- other insurance technical provisions	19,997,346	19,228,161	104
Insurance technical provisions for unit-linked insurance contracts	414,655,170	404,899,884	102
Employee benefits	8,088,605	7,994,891	101
Other provisions	932,358	934,334	100
Other financial liabilities	20,190,327	962,561	-
Operating liabilities	38,336,114	26,135,315	147
- liabilities from direct insurance operations	15,257,856	12,519,990	122
- liabilities from reinsurance and co-insurance operations	17,440,359	13,615,325	128
- current tax liabilities	5,637,899	0	-
Other liabilities	22,759,799	30,503,998	75

**INCOME STATEMENT OF ZAVAROVALNICA TRIGLAV D.D.**

	(in EUR)		
	I - III 2013	I - III 2012	Index
<b>NET PREMIUM INCOME</b>	<b>137,854,155</b>	<b>150,780,293</b>	<b>91</b>
- gross written premium	182,607,694	197,893,123	92
- ceded written premium	-25,732,804	-26,829,854	96
- change in unearned premiums	-19,020,735	-20,282,976	94
<b>TOTAL INCOME FROM FINANCIAL ASSETS</b>	<b>35,181,160</b>	<b>60,747,063</b>	<b>58</b>
<i>INCOME FROM FINANCIAL ASSETS IN ASSOCIATES</i>	<i>499,795</i>	<i>405,529</i>	<i>123</i>
- interest income	499,255	399,437	125
- dividends	0	0	-
- fair value gains	0	0	-
- realised gains on disposals	0	0	-
- other financial income	539	6,092	9
<i>INCOME FROM OTHER FINANCIAL ASSETS</i>	<i>22,486,409</i>	<i>44,056,082</i>	<i>51</i>
- interest income	14,542,485	17,941,975	81
- dividends	138,941	82,246	169
- fair value gains	1,726,488	4,305,737	40
- realised gains on disposals	5,780,749	2,135,096	271
- other financial income	297,746	19,591,028	2
<i>NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>12,194,956</i>	<i>16,285,452</i>	<i>75</i>
<b>OTHER INCOME FROM INSURANCE OPERATIONS</b>	<b>4,342,338</b>	<b>8,252,327</b>	<b>53</b>
- fees and commission income	3,374,101	7,297,326	46
- other income from insurance operations	968,237	955,000	101
<b>OTHER INCOME</b>	<b>1,594,680</b>	<b>1,386,127</b>	<b>115</b>
<b>NET CLAIMS INCURRED</b>	<b>98,873,874</b>	<b>90,285,661</b>	<b>110</b>
- gross claims settled	108,895,881	105,418,632	103
- reinsurers' and co-insurers' share	-4,542,420	-5,235,167	87
- changes in claims provisions	-5,479,587	-9,897,804	55
<b>CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding unit-linked insurance contracts)</b>	<b>-4,440,162</b>	<b>-3,469,834</b>	<b>128</b>
<b>CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS</b>	<b>9,755,286</b>	<b>22,630,171</b>	<b>43</b>
<b>Expenses for bonuses and discounts</b>	<b>2,202,807</b>	<b>2,025,390</b>	<b>109</b>
<b>OPERATING EXPENSES</b>	<b>31,305,457</b>	<b>31,109,674</b>	<b>101</b>
- acquisition costs	21,495,961	21,277,952	101
- other operating costs	9,809,496	9,831,721	100
<b>TOTAL EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES</b>	<b>14,151,318</b>	<b>52,911,677</b>	<b>27</b>
<i>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES</i>	<i>3,788</i>	<i>32,407</i>	<i>12</i>
- interest expense	0	0	-
- fair value losses	0	0	-
- realised loss on disposals	0	0	-
- impairment of financial assets	0	29,411	-
- other expenses from financial assets and liabilities	3,788	2,996	126
<i>EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES</i>	<i>12,505,240</i>	<i>52,279,922</i>	<i>24</i>
- interest expense	561,572	690,673	81
- fair value losses	4,108,374	9,931,981	41
- realised loss on disposals	1,488,289	25,439,040	6
- impairment of financial assets	5,414,828	15,096,699	36
- other expenses from financial assets and liabilities	932,177	1,121,530	83
<i>NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>1,642,289</i>	<i>599,347</i>	<i>274</i>
<b>OTHER INSURANCE EXPENSES</b>	<b>1,944,659</b>	<b>8,280,864</b>	<b>23</b>
<b>OTHER EXPENSES</b>	<b>370,502</b>	<b>383,424</b>	<b>97</b>
<b>PROFIT/ LOSS BEFORE TAX</b>	<b>24,808,592</b>	<b>17,008,781</b>	<b>146</b>
Income tax expense	4,831,736	3,317,941	146
<b>NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD</b>	<b>19,976,856</b>	<b>13,690,840</b>	<b>146</b>
Earnings per share (basic and diluted)	0,88	0,60	146

**STATEMENT OF COMPREHENSIVE INCOME OF ZAVAROVALNICA TRIGLAV D.D.**

		(in EUR)	
		I - III 2013	I - III 2012
I.	NET PROFIT/LOSS FOR THE YEAR AFTER TAX	19,976,856	13,690,840
II.	OTHER COMPREHENSIVE INCOME AFTER TAX	-8,853,052	29,907,410
1.	Net gains/losses from the remeasurement of available-for-sale financial assets	-16,921,248	53,661,094
1.1	Gains/losses recognised in fair value reserve	-17,182,676	39,149,845
1.2	Transfer from fair value reserve to profit/loss	261,428	14,511,249
2.	Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	5,761,639	-17,886,513
3.	Tax on other comprehensive income	2,306,556	-5.867.171
<b>III.</b>	<b>COMPREHENSIVE INCOME / LOSS FOR THE YEAR AFTER TAX</b>	<b>11,123,804</b>	<b>43,598,250</b>



**STATEMENT OF CHANGES IN EQUITY OF TRIGLAV D.D.**

FOR THE PERIOD FROM 1 JANUARY 2013 TO 31 MARCH 2013

(in EUR)

			Reserves from profit				Fair value reserve	Net profit brought forward	Net profit/loss	TOTAL EQUITY
	Share capital	Share premium	Legal and statutory reserves	Credit risk reserves	Other reserves from profit					
<b>1. OPENING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>53,412,885</b>	<b>4,662,643</b>	<b>30,624,276</b>	<b>201,000,000</b>	<b>46,049,906</b>	<b>72,813,826</b>	<b>25,392,174</b>	<b>507,657,102</b>	
2. Comprehensive income for the period from 1 January 2013 to 31 March 2013	0	0	0	0	0	-8,853,052	0	19,976,856	11,123,804	
3. Allocation to net profit/loss brought forward	0	0	0	0	0		25,392,174	-25,392,174	0	
<b>7. CLOSING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>53,412,885</b>	<b>4,662,643</b>	<b>30,624,276</b>	<b>201,000,000</b>	<b>37,196,854</b>	<b>98,205,999</b>	<b>19,976,856</b>	<b>518,780,905</b>	

FOR THE PERIOD FROM 1 JANUARY 2012 TO 31 MARCH 2012

(in EUR)

			Reserves from profit				Fair value reserve	Net profit brought forward	Net profit/loss	TOTAL EQUITY
	Share capital	Share premium	Legal and statutory reserves	Credit risk reserves	Other reserves from profit					
<b>1. OPENING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>53,412,884</b>	<b>4,662,643</b>	<b>30,624,276</b>	<b>176,000,000</b>	<b>5,969,185</b>	<b>49,539,512</b>	<b>43,782,559</b>	<b>437,692,451</b>	
2. Comprehensive income for the period from 1 January 2012 to 31 March 2012	0	0	0	0	0	29,907,410	0	13,690,840	43,598,250	
3. Allocation to net profit/loss brought forward	0	0	0	0	0	0	43,782,559	-43,782,559	0	
<b>4. CLOSING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>53,412,884</b>	<b>4,662,643</b>	<b>30,624,276</b>	<b>176,000,000</b>	<b>35,876,595</b>	<b>93,322,071</b>	<b>13,690,840</b>	<b>481,290,701</b>	

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

	(in EUR)	
	I - III 2013	I - III 2012
<b>A. OPERATING CASH FLOW</b>		
<b>Income statement items</b>	<b>17,554,711</b>	<b>12,332,700</b>
Operating income (except for revaluations) and financial income from operating receivables	156,831,810	219,164,489
Operating expenses excluding depreciation (except for revaluations) and financial expenses for operating liabilities	-133,639,200	-203,513,848
Corporate income tax and other taxes excluded from operating expenses	-5,637,899	-3,317,941
<b>Changes in net current assets (and in deferred items, provisions and deferred tax assets and liabilities) and in operating balance-sheet items</b>	<b>-6,601,139</b>	<b>28,956,365</b>
Movements in receivables and prepayments and accrued income	-28,491,237	-36,324,062
Movements in deferred tax assets	0	5,831,187
Movements in inventories	-20,372	3,681
Movements in operating debts	4,260,046	68,708,212
Movements in accruals and deferred income and provisions	17,650,423	-9,262,654
<b>TOTAL OPERATING CASH FLOW</b>	<b>10,953,572</b>	<b>41,289,064</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Cash inflows from investing activities</b>	<b>688,590,699</b>	<b>445,466,649</b>
Cash inflows from interest received and profit sharing arising from investing activities	17,689,201	18,341,412
Cash inflows from dividends and profit sharing	138,941	82,246
Cash inflows from intangible assets	1,785	0
Cash inflows from the disposal of property, plant and equipment	119,867	81,177
Cash inflows from the disposal of financial investments	670,189,675	403,974,561
Cash inflows from disposal of financial investments in associates	449,445	22,984,995
<b>Cash outflows from investing activities</b>	<b>-697,279,712</b>	<b>-486,042,680</b>
Cash outflows for the purchase of intangible assets	-642,575	-4,677,150
Cash outflows for the purchase of property, plant and equipment	-903,056	-728,486
Cash outflows for the acquisition of financial investments	-695,734,081	-479,724,859
Cash outflows for the acquisition of financial investments in associates	0	-912,185
<b>TOTAL CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-8,689,013</b>	<b>-40,576,030</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Cash outflows from financing activities</b>	<b>-1,785,356</b>	<b>-1,787,778</b>
Cash outflows for interest paid on financing activities	-1,783,920	-1,786,141
Cash outflows from dividends paid and profit sharing	-1,436	-1,637
<b>TOTAL CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>-1,785,356</b>	<b>-1,787,778</b>
<b>D. Opening balance of cash and cash equivalents</b>	<b>2,278,084</b>	<b>4,216,855</b>
<b>E. Net cash flow for the period</b>	<b>479,204</b>	<b>-1,074,744</b>
<b>F. Closing balance of cash and cash equivalents</b>	<b>2,755,503</b>	<b>3,142,111</b>

## 2. FINANCIAL STATEMENTS OF THE TRIGLAV GROUP

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 March 2013	31 December 2012	(in EUR) Index
<b>ASSETS</b>	<b>3,195,202,139</b>	<b>3,123,808,393</b>	<b>102</b>
Intangible assets	71,898,587	66,878,286	108
Property, plant and equipment	131,121,826	130,350,482	101
Deferred tax receivables	35,355,668	34,434,717	103
Investment property	97,363,476	100,186,863	97
Investments in associates	14,161,111	14,384,184	98
Financial assets	2,467,226,402	2,445,878,652	101
<i>Financial investments:</i>	2,036,987,070	2,026,996,736	100
- <i>loans and deposits</i>	313,498,593	273,278,022	115
- <i>held to maturity</i>	227,186,247	228,416,165	99
- <i>available for sale</i>	1,380,061,470	1,417,564,782	97
- <i>investments recognised at fair value</i>	116,240,760	107,737,767	108
<i>Unit-linked insurance assets</i>	430,239,332	418,881,916	103
Reinsurers' share of insurance technical provisions	92,692,067	83,575,712	111
Receivables	227,412,189	194,850,052	117
- receivables from direct insurance operations	135,532,895	103,865,001	130
- receivables from reinsurance and co-insurance operations	43,191,840	42,942,784	101
- current tax receivables	4,957,387	9,331,709	53
- other receivables	43,730,067	38,710,558	113
Other assets	35,985,405	33,680,408	107
Cash and cash equivalents	19,651,165	17,251,420	114
Non-current assets for sale	2,334,243	2,337,617	100
<b>EQUITY AND LIABILITIES</b>	<b>3,195,202,139</b>	<b>3,123,808,393</b>	<b>102</b>
Equity	587,045,650	574,563,757	102
<i>Controlling interests</i>	580,889,738	567,863,820	102
- share capital	73,701,388	73,701,392	100
- share premium	56,815,154	56,710,713	100
- reserves from profit	253,302,299	253,233,080	100
- fair value reserve	42,150,228	51,819,054	81
- net profit/loss brought forward	135,588,085	86,769,095	156
- net profit/loss for the year	22,693,842	48,809,667	46
- currency translation differences	-3,361,258	-3,179,181	106
<i>Non-controlling interests</i>	6,155,912	6,699,937	92
Subordinated liabilities	37,075,184	37,025,550	100
Insurance technical provisions	1,908,457,117	1,887,920,781	101
- unearned premiums	308,539,558	268,424,573	115
- mathematical provisions	860,024,687	869,949,936	99
- claims provisions	713,479,065	723,176,114	99
- other insurance technical provisions	26,413,807	26,370,158	100
Insurance technical provisions for unit-linked insurance contracts	428,008,180	417,338,984	103
Employee benefits	10,626,387	10,573,673	100
Other provisions	20,060,237	19,621,552	102
Deferred tax liabilities	19,165,634	21,351,998	90
Other financial liabilities	58,834,413	39,380,566	149
Operating liabilities	76,566,318	58,150,107	132
- liabilities from direct insurance operations	25,974,505	20,811,717	125
- liabilities from reinsurance and co-insurance operations	44,123,799	36,744,115	120
- current tax liabilities	6,468,014	594,275	-
Other liabilities	49,363,019	57,881,425	85

## CONSOLIDATED INCOME STATEMENT

	(in EUR)		
	I - III 2013	I - III 2012	Index
<b>NET PREMIUM INCOME</b>	<b>208,859,465</b>	<b>221,572,759</b>	<b>94</b>
- gross written premium	258,722,738	273,447,417	95
- ceded written premium	-26,792,060	-29,917,813	90
- change in unearned premiums	-23,071,213	-21,956,845	105
<b>INCOME FROM FINANCIAL ASSETS</b>	<b>41,132,432</b>	<b>68,076,776</b>	<b>60</b>
<i>INCOME FROM FINANCIAL ASSETS IN ASSOCIATES</i>	261,359	572,376	46
- profit on equity investments accounted for using the equity method	260,820	425,816	61
- interest income	0	0	-
- dividends	0	0	-
- fair value gains	0	0	-
- realised gains on disposals	0	0	-
- other financial income	539	146,560	-
<i>INCOME FROM OTHER FINANCIAL ASSETS</i>	28,081,473	50,606,783	55
- interest income	18,012,581	21,923,010	82
- dividends	197,892	82,492	240
- fair value gains	1,862,771	4,508,116	41
- realised gains on disposals	6,379,100	2,521,827	253
- other financial income	1,629,129	21,571,338	8
<i>NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	12,789,600	16,897,617	76
<b>OTHER INCOME FROM INSURANCE OPERATIONS</b>	<b>2,373,703</b>	<b>6,700,937</b>	<b>35</b>
- fees and commission income	983,473	4,992,365	20
- other income from insurance operations	1,390,230	1,708,572	81
<b>OTHER INCOME</b>	<b>18,591,448</b>	<b>20,158,178</b>	<b>92</b>
<b>NET CLAIMS INCURRED</b>	<b>149,178,850</b>	<b>139,759,091</b>	<b>107</b>
- gross claims settled	157,286,296	151,336,382	104
- reinsurers' and co-insurers' share	-3,525,523	-4,483,356	79
- changes in claims provisions	-6,507,918	-8,858,496	73
- equalisation scheme expenses for supplementary health insurance	1,925,995	1,764,561	109
<b>CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS</b>	<b>-3,922,440</b>	<b>19,351,784</b>	
<b>CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNITLINKED INSURANCE CONTRACTS</b>	<b>10,730,293</b>	<b>1,046,410</b>	
<b>Expenses for bonuses and discounts</b>	<b>2,454,390</b>	<b>2,308,168</b>	<b>106</b>
<b>OPERATING EXPENSES</b>	<b>45,062,954</b>	<b>45,919,618</b>	<b>98</b>
- acquisition costs	28,198,838	29,031,694	97
- other operating costs	16,864,116	16,887,924	100
<b>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES</b>	<b>17,063,906</b>	<b>57,334,066</b>	<b>30</b>
<i>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES</i>	664,610	1,236,174	54
- loss on investments accounted for using the equity method	664,610	1,236,174	54
- interest expense	0	0	-
- fair value losses	0	0	-
- realised loss on disposals	0	0	-
- other expenses from financial assets and liabilities	0	0	-
<i>EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES</i>	14,738,113	55,490,715	27
- interest expense	838,179	1,098,005	76
- fair value losses	4,592,005	10,269,989	45
- realised loss on disposals	1,738,286	26,384,375	7
- impairment of financial assets	6,007,022	15,153,928	40
- other expenses from financial assets and liabilities	1,562,621	2,584,418	60
<i>NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	1,661,183	607,177	274
<b>OTHER INSURANCE EXPENSES</b>	<b>4,932,561</b>	<b>12,420,393</b>	<b>40</b>
<b>OTHER EXPENSES</b>	<b>16,996,898</b>	<b>16,973,556</b>	<b>100</b>
<b>PROFIT/ LOSS BEFORE TAX</b>	<b>28,459,636</b>	<b>21,395,564</b>	<b>133</b>
Income tax expense	5,556,369	3,769,118	147
<b>NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD</b>	<b>22,903,267</b>	<b>17,626,446</b>	<b>130</b>
Net profit / loss attributable to the controlling company	22,758,537	16,970,752	134
Net profit / loss attributable to non-controlling interest holders	144,732	655,694	22

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in EUR)

	I - III 2013	I - III 2012
I. NET PROFIT/LOSS FOR THE YEAR AFTER TAX	22,903,267	17,626,446
II. OTHER COMPREHENSIVE INCOME AFTER TAX	-9,735,327	36,827,389
1. Net gains/losses from the remeasurement of available-for-sale financial assets	-17,359,019	61,628,759
1.1 Gains/losses recognised in fair value reserve	-17,288,675	46,835,192
1.2 Transfer from fair value reserve to profit/loss	-70,344	14,793,567
2. Gains/losses recognised in fair value reserve and net profit/loss brought forward arising from equity in associates and jointly controlled entities recognised using the equity method	-570,238	33,045
3. Translation differences	-183,071	-284,580
4. Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	5,761,639	-17,886,513
5. Tax on other comprehensive income	2,615,362	-6,663,322
<b>III. COMPREHENSIVE INCOME / LOSS FOR THE YEAR AFTER TAX</b>	<b>13,167,940</b>	<b>54,453,835</b>
Controlling interests	12,907,621	53,142,422
Non-controlling interests	260,320	1,311,413

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 01 JANUARY 2013 TO 31 MARCH 2013

(in EUR)

	Share capital	Share premium	Reserves from profit					Fair value reserve	Net profit brought forward	Net profit/loss	Treasury shares (deductible item)	Translation differences	Total equity attributable to the controlling company	Non-controlling interests	TOTAL
			Contingency reserves	Treasury share reserves	Legal and statutory reserves	Credit risk reserves	Other reserves from profit								
<b>1. OPENING BALANCE FOR THE PERIOD</b>	<b>73,701,388</b>	<b>56,710,713</b>	<b>529,798</b>	<b>364,681</b>	<b>19,517,386</b>	<b>32,185,894</b>	<b>201,000,001</b>	<b>51,819,054</b>	<b>86,769,095</b>	<b>48,809,660</b>	<b>-364,680</b>	<b>-3,179,169</b>	<b>567,863,821</b>	<b>6,699,937</b>	<b>574,563,758</b>
2. Comprehensive income for the period from 1 January 2013 to 31 March 2013	0	0	0	0	0	0	0	-9,668,826	0	22,758,537	0	-182,089	12,907,622	260,320	13,167,942
5. Treasury share reserve formation from other equity items	0	0	4,524	0	0	0	0	0	-4,513	0	0	0	11	-11	0
6. Allocation and use of reserves for credit risk	0	0	0	0	0	64,695	0	0	0	-64,695	0	0	0	0	0
7. Allocation to net profit/loss brought forward	0	0	0	0	0	0	0	0	48,809,660	-48,809,660	0	0	0	0	0
8. Recognition of reserves resulting from intragroup transactions	0	118,328	0	0	0	0	0	0	0	0	0	0	118,328	-804,334	-686,006
9. Other	0	-13,887	0	0	0	0	0	0	13,843	0	0	0	-44	0	-44
<b>10. CLOSING BALANCE for the period</b>	<b>73,701,388</b>	<b>56,815,154</b>	<b>534,322</b>	<b>364,681</b>	<b>19,517,386</b>	<b>32,250,589</b>	<b>201,000,001</b>	<b>42,150,228</b>	<b>135,588,085</b>	<b>22,693,842</b>	<b>-364,680</b>	<b>-3,361,258</b>	<b>580,889,738</b>	<b>6,155,912</b>	<b>587,045,650</b>

FOR THE PERIOD FROM 01 JANUARY 2012 TO 31 MARCH 2012

(in EUR)

	Share capital	Share premium	Reserves from profit					Fair value reserve	Net profit brought forward	Net profit/loss	Treasury shares (deductible item)	Translation differences	Total equity attributable to the controlling company	Non-controlling interests	TOTAL
			Contingency reserves	Treasury share reserves	Legal and statutory reserves	Credit risk reserves	Other reserves from profit								
<b>1. OPENING BALANCE FOR THE PERIOD</b>	<b>73,701,387</b>	<b>53,204,076</b>	<b>529,798</b>	<b>364,680</b>	<b>19,430,985</b>	<b>34,866,038</b>	<b>176,000,000</b>	<b>2,786,975</b>	<b>61,135,233</b>	<b>46,175,732</b>	<b>-364,680</b>	<b>-2,565,292</b>	<b>465,264,931</b>	<b>24,204,905</b>	<b>489,469,836</b>
2. Comprehensive income for the period from 1 January 2012 to 31 March 2012	0	0	0	0	0	0	0	36,436,546	0	16,970,752	0	-264,876	53,142,422	1,311,413	54,453,835
3. Acquisition of treasury shares	0	0	0	0	0	0	0	0	0	0	-88,200	0	-88,200	0	-88,200
4. Treasury share reserve formation from other equity items	0	0	0	88,200	0	0	0	0	-88,200	0	0	0	0	0	0
5. Allocation and use of reserves for credit risk	0	0	0	0	0	45,890	0	0	0	-41,760	0	0	4,130	-4,130	0
6. Allocation to net profit/loss brought forward	0	0	0	0	0	0	0	0	46,175,732	-46,175,732	0	0	0	0	0
7. Recognition of reserves resulting from intragroup transactions	0	537,840	0	0	0	0	0	0	0	0	0	0	537,840	0	537,840
8. Other	0	0	0	0	0	0	0	-41,257	41,187	0	0	0	-70	634,289	634,219
<b>9. CLOSING BALANCE for the period</b>	<b>73,701,387</b>	<b>53,741,916</b>	<b>529,798</b>	<b>452,880</b>	<b>19,430,985</b>	<b>34,911,928</b>	<b>176,000,000</b>	<b>39,182,264</b>	<b>107,263,952</b>	<b>16,928,992</b>	<b>-452,880</b>	<b>-2,830,168</b>	<b>518,861,054</b>	<b>26,146,477</b>	<b>545,007,530</b>

## CONSOLIDATED CASH FLOW STATEMENT

	(in EUR)	
	I - III 2013	I - III 2012
<b>A OPERATING CASH FLOW</b>		
<b>Income statement items</b>	<b>24,503,466</b>	<b>15,797,935</b>
Operating income(excluding revaluation ) and financial income from operating receivables	257,319,431	318,340,624
Operating expenses excluding depreciation (except for revaluations) and financial expenses for operating liabilities	-226,601,132	-296,726,939
Corporate income tax and other taxes excluded from operating expenses	-6,214,833	-5,815,750
<b>Changes in net current assets (and deferred items, provisions and deferred tax assets and liabilities) and in operating balance-sheet items</b>	<b>-4,279,272</b>	<b>52,489,965</b>
Movements in receivables and prepayments and accrued income	-58,406,343	-31,046,055
Movements in deferred tax assets	-242,981	6,646,776
Movements in assets held for sale (disposal group)	0	-25,518
Movements in inventories	-195,358	89,193,923
Movements in operating debts	35,325,640	-9,210,519
Movements in accruals and deferred income and provisions	21,601,835	-3,068,642
Movements in deferred tax liabilities	-2,362,065	68,287,900
<b>TOTAL OPERATING CASH FLOW</b>	<b>20,224,194</b>	<b>15,797,935</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Cash inflows from investing activities</b>	<b>813,991,717</b>	<b>543,143,130</b>
Cash inflows from interest received and profit sharing arising from investing activities	20,576,811	28,841,972
Income from dividends and profit sharing	1,362,270	1,503,805
Cash inflows from the disposal of intangible assets	319,704	33,893
Cash inflows from the disposal of property, plant and equipment	189,060	116,463
Cash inflows from the disposal of financial investments	791,543,872	489,607,920
Cash inflows from disposal of financial investments in associates	0	23,039,077
<b>Cash outflows from investing activities</b>	<b>-822,927,555</b>	<b>-628,427,125</b>
Cash outflows for the purchase of intangible assets	-764,927	-4,687,246
Cash outflows for the purchase of property, plant and equipment	-2,058,487	-1,467,852
Cash outflows for the purchase of financial investments	-820,104,141	-617,706,231
Cash outflows for the acquisition of financial investments in associates	0	-4,565,796
<b>TOTAL CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-8,935,838</b>	<b>-85,283,995</b>
<b>c. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Cash inflows from financing activities</b>	<b>54,361</b>	<b>19,510,780</b>
Cash inflows from paid-in capital	0	0
Cash inflows from long-term loans received	0	0
Cash inflows from short-term loans received	54,361	19,510,780
<b>Cash outflows from financing activities</b>	<b>-9,001,301</b>	<b>-6,674,490</b>
Interest paid from financing activities	-2,489,086	-2,205,995
Cash outflows for payments of financial liabilities	-6,510,779	-4,466,858
Cash outflows from dividends paid and profit sharing	-1,436	-1,637
<b>TOTAL CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>-8,946,940</b>	<b>12,836,290</b>
<b>D. Opening balance of cash and cash equivalents</b>	<b>17,251,420</b>	<b>22,771,667</b>
<b>E. Net cash flow for the period</b>	<b>2,341,416</b>	<b>-4,159,805</b>
Foreign exchange differentials	58,329	-339,825
<b>F. Closing balance of cash and cash equivalents</b>	<b>19,651,165</b>	<b>18,272,037</b>



### **3. SELECTED NOTES TO FINANCIAL STATEMENTS**

#### **3.1. Statement of compliance**

The financial statements for period from 1 January 2013 to 31 March 2013 have been prepared in accordance with IAS 34 - Interim Financial Reporting.

Pursuant to 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. The entities in which the Group 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 consolidated financial statement.

The financial statements for the period from 1 January 2013 to 31 March 2013 have not been audited.

#### **3.2. Main accounting policies and estimates**

The same accounting policies as for the preparation of the financial statements for 2012 were used for the preparation of the financial statements for the first quarter of 2013. The tax expense calculation for the first quarter of 2013 was made by applying the average effective tax rate of 2012.

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

#### **3.3. Seasonal operations**

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

#### **3.4. 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 income statement by business segment are given below.

*Zavarovalnica Triglav and Triglav Group*  
*Interim Report for the period from 1 January to 31 March 2013*

**STATEMENT OF FINANCIAL POSITION OF ZAVAROVALNICA TRIGLAV BY BUSINESS SEGMENT**

(in EUR)

	31 March 2013			31 December 2012		
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
<b>ASSETS</b>	<b>1,304,157,582</b>	<b>1,378,528,457</b>	<b>2,682,686,039</b>	<b>1,254,190,963</b>	<b>1,368,740,758</b>	<b>2,622,931,721</b>
Intangible assets	55,947,217	2,450,871	58,398,088	50,792,438	2,505,835	53,298,272
Property, plant and equipment	54,024,261	10,205,733	64,229,995	55,655,501	10,644,822	66,300,323
Deferred tax receivables	27,994,605	2,559,308	30,553,913	27,404,012	2,343,737	29,747,749
Investment property	18,462,660	2,109,066	20,571,726	17,386,248	1,958,734	19,344,982
Investments in subsidiaries	184,788,629	1,514,671	186,303,301	184,102,623	1,514,671	185,617,295
Investments in associates	975	12,765,987	12,766,962	975	12,765,987	12,766,962
Financial assets	749,148,679	1,340,822,600	2,089,971,280	740,004,319	1,332,919,681	2,072,924,001
Financial assets	749,148,679	923,950,315	1,673,098,994	740,004,319	926,416,893	1,666,421,213
- loans and deposits	132,683,550	133,255,280	265,938,829	111,749,604	111,027,929	222,777,533
- held to maturity	0	198,462,139	198,462,139	0	199,277,500	199,277,500
- available for sale	600,809,146	497,705,740	1,098,514,886	610,846,122	533,497,663	1,144,343,784
- investments recognised at fair value	15,655,984	94,527,156	110,183,140	17,408,594	82,613,801	100,022,396
Unit-linked insurance assets	0	416,872,285	416,872,285	0	406,502,788	406,502,788
Reinsurers' share of technical provisions	85,240,551	5,778	85,246,328	75,385,422	6,135	75,391,557
Receivables	123,904,983	5,164,491	129,069,474	100,209,075	2,827,527	103,036,602
- receivables from direct insurance operations	96,164,196	503,420	96,667,616	69,871,232	419,827	70,291,060
- receivables from reinsurance and co-insurance operations	6,997,315	1,964	6,999,279	8,231,380	12,097	8,243,477
- current tax receivables	3,110,948	0	3,110,948	7,403,575	0	7,403,575
- other receivables	17,632,524	4,659,107	22,291,631	14,702,887	2,395,602	17,098,490
Other assets	2,779,443	40,028	2,819,471	2,167,435	58,459	2,225,894
Cash and cash equivalents	1,865,578	889,925	2,755,503	1,082,914	1,195,171	2,278,084
<b>EQUITY AND LIABILITIES</b>	<b>1,304,157,582</b>	<b>1,378,528,457</b>	<b>2,682,686,039</b>	<b>1,254,190,963</b>	<b>1,368,740,758</b>	<b>2,622,931,721</b>
Equity	430,744,228	88,036,677	518,780,905	422,753,538	84,903,563	507,657,101
- share capital	51,340,540	22,360,852	73,701,392	51,340,540	22,360,852	73,701,392
- share premium	40,344,978	13,067,907	53,412,884	40,344,978	13,067,907	53,412,884
- reserves from profit	204,723,028	31,563,891	236,286,919	204,723,028	31,563,891	236,286,919
- fair value reserve	25,907,646	11,289,208	37,196,854	32,551,932	13,497,974	46,049,906
- net profit/loss brought forward	93,793,060	4,412,939	98,205,999	72,813,826	0	72,813,826
- net profit/loss for the year	14,634,977	5,341,879	19,976,856	20,979,234	4,412,939	25,392,174
Subordinated liabilities	25,050,310	13,679,567	38,729,877	25,043,991	13,677,269	38,721,260
Insurance technical provisions	767,963,839	835,939,057	1,603,902,896	738,866,601	846,384,267	1,585,250,868
- unearned premiums	235,731,330	508,919	236,240,249	200,050,028	403,360	200,453,389
- mathematical provisions	0	815,689,428	815,689,428	0	826,665,165	826,665,165
- claims provisions	512,235,164	19,740,710	531,975,873	519,588,411	19,315,742	538,904,153
- other insurance technical provisions	19,997,346	0	19,997,346	19,228,161	0	19,228,161
Insurance technical provisions for unit-linked insurance contracts	0	414,655,170	414,655,170	0	404,899,884	404,899,884
Employee benefits	6,648,149	1,440,456	8,088,605	6,569,954	1,424,937	7,994,891
Other provisions	892,585	39,772	932,358	882,628	51,707	934,334
Deferred tax liabilities	9,162,986	3,639,728	12,802,714	10,339,414	4,769,857	15,109,271
Other financial liabilities	11,808,579	8,381,747	20,190,327	945,075	17,486	962,561
Operating liabilities	29,418,764	8,917,349	38,336,114	19,145,689	6,989,626	26,135,315
- liabilities from direct insurance operations	6,367,090	8,890,766	15,257,856	5,539,078	6,980,912	12,519,990
- liabilities from reinsurance and co-insurance operations	17,413,776	26,583	17,440,359	13,606,611	8,714	13,615,325
- current tax liabilities	5,637,899	0	5,637,899	0	0	0
Other liabilities	22,468,140	3,798,934	26,267,074	29,644,074	5,622,161	35,266,235

## INCOME STATEMENT OF ZAVAROVALNICA TRIGLAV BY BUSINESS SEGMENT

(in EUR)

	I - III 2013			I - III 2012		
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
<b>NET PREMIUM INCOME</b>	<b>91,489,974</b>	<b>46,364,181</b>	<b>137,854,155</b>	<b>100,915,754</b>	<b>49,864,539</b>	<b>150,780,293</b>
- gross written premium	136,033,990	46,573,704	182,607,694	147,782,518	50,110,604	197,893,123
- ceded written premium	-25,628,841	-103,963	-25,732,804	-26,668,265	-161,589	-26,829,854
- change in unearned premiums	-18,915,176	-105,559	-19,020,735	-20,198,499	-84,477	-20,282,976
<b>TOTAL INCOME FROM FINANCIAL ASSETS</b>	<b>8,658,696</b>	<b>26,522,464</b>	<b>35,181,160</b>	<b>17,283,990</b>	<b>43,463,073</b>	<b>60,747,063</b>
<i>INCOME FROM FINANCIAL ASSETS IN ASSOCIATES</i>	<i>499,795</i>	<i>0</i>	<i>499,795</i>	<i>405,508</i>	<i>22</i>	<i>405,529</i>
- interest income	499,255	0	499,255	399,415	22	399,437
- 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	539	0	539	6,092	0	6,092
<i>INCOME FROM OTHER FINANCIAL ASSETS</i>	<i>8,158,901</i>	<i>14,327,508</i>	<i>22,486,409</i>	<i>16,878,483</i>	<i>27,177,599</i>	<i>44,056,082</i>
- interest income	6,098,992	8,443,493	14,542,485	7,878,243	10,063,731	17,941,975
- dividends	19,048	119,893	138,941	4,684	77,562	82,246
- fair value gains	120,606	1,605,883	1,726,488	1,344,350	2,961,387	4,305,737
- realised gains on disposals	1,770,654	4,010,094	5,780,749	1,407,517	727,579	2,135,096
- other financial income	149,601	148,145	297,746	6,243,689	13,347,339	19,591,028
<i>NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>0</i>	<i>12,194,956</i>	<i>12,194,956</i>	<i>0</i>	<i>16,285,452</i>	<i>16,285,452</i>
<b>OTHER INCOME FROM INSURANCE OPERATIONS</b>	<b>4,301,420</b>	<b>40,918</b>	<b>4,342,338</b>	<b>4,785,833</b>	<b>3,466,494</b>	<b>8,252,327</b>
- fees and commission income	3,333,183	40,918	3,374,101	3,841,621	3,455,705	7,297,326
- other income from insurance operations	968,237	0	968,237	944,212	10,789	955,000
<b>OTHER INCOME</b>	<b>798,062</b>	<b>796,618</b>	<b>1,594,680</b>	<b>678,225</b>	<b>707,902</b>	<b>1,386,127</b>
<b>NET CLAIMS INCURRED</b>	<b>51,704,180</b>	<b>47,169,694</b>	<b>98,873,874</b>	<b>48,799,869</b>	<b>41,485,792</b>	<b>90,285,661</b>
- gross claims settled	62,140,713	46,755,167	108,895,881	64,476,440	40,942,192	105,418,632
- reinsurers' and co-insurers' share	-4,531,620	-10,799	-4,542,420	-5,194,308	-40,859	-5,235,167
- changes in claims provisions	-5,904,913	425,326	-5,479,587	-10,482,262	584,458	-9,897,804
<b>CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS</b>	<b>769,184</b>	<b>-5,209,347</b>	<b>-4,440,162</b>	<b>590,629</b>	<b>-4,060,463</b>	<b>-3,469,834</b>
<b>CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNITLINKED INSURANCE CONTRACTS</b>	<b>0</b>	<b>9,755,286</b>	<b>9,755,286</b>	<b>0</b>	<b>22,630,171</b>	<b>22,630,171</b>
<b>Expenses for bonuses and discounts</b>	<b>2,202,807</b>	<b>0</b>	<b>2,202,807</b>	<b>2,025,390</b>	<b>0</b>	<b>2,025,390</b>
<b>OPERATING EXPENSES</b>	<b>24,503,039</b>	<b>6,802,419</b>	<b>31,305,457</b>	<b>23,897,137</b>	<b>7,212,537</b>	<b>31,109,674</b>
- acquisition costs	17,321,738	4,174,222	21,495,961	17,082,071	4,195,882	21,277,952
- other operating costs	7,181,300	2,628,196	9,809,496	6,815,066	3,016,655	9,831,721
<b>TOTAL EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES</b>	<b>5,763,414</b>	<b>8,387,904</b>	<b>14,151,318</b>	<b>20,377,992</b>	<b>32,533,685</b>	<b>52,911,677</b>
<i>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES</i>	<i>3,788</i>	<i>0</i>	<i>3,788</i>	<i>2,996</i>	<i>29,411</i>	<i>32,407</i>
- 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
- permanent impairment of financial assets	0	0	0	0	29,411	29,411
- other expenses from financial assets and liabilities	3,788	0	3,788	2,996	0	2,996
<i>EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES</i>	<i>5,759,626</i>	<i>6,745,615</i>	<i>12,505,240</i>	<i>20,374,996</i>	<i>31,904,927</i>	<i>52,279,922</i>
- interest expense	363,941	197,631	561,572	483,700	206,973	690,673
- fair value losses	61,806	4,046,568	4,108,374	2,591,202	7,340,778	9,931,981
- realised loss on disposals	266,057	1,222,231	1,488,289	5,939,882	19,499,157	25,439,040
- permanent impairment of financial assets	4,472,901	941,927	5,414,828	10,596,920	4,499,779	15,096,699
- other expenses from financial assets and liabilities	594,920	337,257	932,177	763,291	358,239	1,121,530
<i>NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>0</i>	<i>1,642,289</i>	<i>1,642,289</i>	<i>0</i>	<i>599,347</i>	<i>599,347</i>
<b>OTHER INSURANCE EXPENSES</b>	<b>1,800,319</b>	<b>144,340</b>	<b>1,944,659</b>	<b>4,687,796</b>	<b>3,593,068</b>	<b>8,280,864</b>
<b>OTHER EXPENSES</b>	<b>330,517</b>	<b>39,985</b>	<b>370,502</b>	<b>353,649</b>	<b>29,775</b>	<b>383,424</b>
<b>PROFIT/ LOSS BEFORE TAX</b>	<b>18,174,690</b>	<b>6,633,902</b>	<b>24,808,592</b>	<b>22,931,339</b>	<b>-5,922,557</b>	<b>17,008,781</b>
Income tax expense	3,539,713	1,292,023	4,831,736	3,317,941	0	3,317,941
<b>NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD</b>	<b>14,634,977</b>	<b>5,341,879</b>	<b>19,976,856</b>	<b>19,613,398</b>	<b>-5,922,557</b>	<b>13,690,840</b>

### **3.5. Segmental analysis of operations of the Triglav Group**

The management monitors the operations of the 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 for 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 BUSINESS SEGMENT**

(in EUR)

<b>AS AT 31 MARCH 2013</b>	<b>NON-LIFE</b>	<b>LIFE</b>	<b>HEALTH</b>	<b>OTHER</b>	<b>TOTAL - NON-CONSOLIDATED</b>	<b>Eliminations</b>	<b>TOTAL - CONSOLIDATED</b>
<b>ASSETS</b>	<b>1,859,161,824</b>	<b>1,448,898,879</b>	<b>33,411,539</b>	<b>326,964,238</b>	<b>3,668,436,480</b>	<b>-473,234,341</b>	<b>3,195,202,139</b>
Intangible assets	66,101,376	2,465,195	320,259	1,193,895	70,080,725	1,817,862	71,898,587
Property, plant and equipment	86,673,015	10,260,609	2,328,801	31,624,046	130,886,471	235,355	131,121,826
Deferred tax receivables	29,521,941	2,736,308	469,714	2,627,705	35,355,668	0	35,355,668
Investment property	34,737,875	3,332,823	0	47,695,652	85,766,350	11,597,126	97,363,476
Investments in subsidiaries	189,884,660	1,600,756	0	106,950,887	298,436,303	-298,436,303	0
Investments in associates	810	7,545,469	0	6,614,832	14,161,111	0	14,161,111
Financial assets	1,005,083,036	1,410,531,633	25,739,812	74,700,772	2,516,055,253	-48,828,851	2,467,226,402
Financial investments:	1,005,083,036	980,292,301	25,739,812	74,700,772	2,085,815,921	-48,828,851	2,036,987,070
- loans and deposits	198,576,738	142,928,171	2,579,516	16,588,326	360,672,751	-47,174,158	313,498,593
- held to maturity	3,147,832	224,038,415	0	0	227,186,247	0	227,186,247
- available for sale	785,809,844	516,205,983	23,160,296	56,540,040	1,381,716,163	-1,654,693	1,380,061,470
- investments recognised at fair value	17,548,622	97,119,732	0	1,572,406	116,240,760	0	116,240,760
Unit-linked insurance assets	0	430,239,332	0	0	430,239,332	0	430,239,332
Reinsurers' share of technical provisions	187,522,047	9,277	0	0	187,531,324	-94,839,257	92,692,067
Receivables	242,008,348	7,339,433	4,503,695	15,651,136	269,502,612	-42,090,423	227,412,189
- receivables from direct insurance operations	132,465,112	723,113	4,127,945	0	137,316,170	-1,783,275	135,532,895
- receivables from reinsurance and co-insurance operations	77,188,295	2,250	0	0	77,190,545	-33,998,705	43,191,840
- current tax receivables	4,950,377	154	0	6,856	4,957,387	0	4,957,387
- other receivables	27,404,564	6,613,916	375,750	15,644,280	50,038,510	-6,308,443	43,730,067
Other assets	8,088,030	198,081	31,798	30,357,346	38,675,255	-2,689,850	35,985,405
Cash and cash equivalents	9,540,686	2,879,295	17,460	7,213,724	19,651,165	0	19,651,165
Noncurrent assets for sale				2,334,243	2,334,243	0	2,334,243
<b>EQUITY AND LIABILITIES</b>	<b>1,859,161,824</b>	<b>1,448,898,879</b>	<b>33,411,539</b>	<b>326,964,238</b>	<b>3,668,436,480</b>	<b>-473,234,341</b>	<b>3,195,202,139</b>
Equity	529,468,640	100,423,694	11,798,844	232,925,519	874,616,697	-287,571,047	587,045,650
Controlling interests	529,468,640	100,423,694	11,798,844	232,925,519	874,616,697	-293,726,959	580,889,738
- share capital	115,974,541	31,119,897	25,822,144	186,135,304	359,051,886	-285,350,498	73,701,388
- share premium	43,254,647	13,067,907	0	20,458,954	76,781,508	-19,966,354	56,815,154
- reserves from profit	222,411,410	32,095,847	0	3,774,246	258,281,503	-4,979,204	253,302,299
- fair value reserve	35,072,024	3,336,001	-654,292	21,304,314	59,058,047	-16,907,819	42,150,228
- net profit/loss brought forward	99,967,631	15,987,806	-15,303,446	314,094	100,966,085	34,622,000	135,588,085
- net profit/loss for the year	14,659,382	5,728,128	1,934,438	1,696,090	24,018,038	-1,324,196	22,693,842
- currency translation differences	-1,870,995	-911,892	0	-757,483	-3,540,370	179,112	-3,361,258
Non-controlling interests	0	0	0	0	0	6,155,912	6,155,912
Subordinated liabilities	26,406,744	13,679,567	1,500,000	0	41,586,311	-4,511,127	37,075,184
Insurance technical provisions	1,110,429,529	881,400,838	11,594,612	0	2,003,424,979	-94,967,862	1,908,457,117
- unearned premiums	334,482,831	520,140	2,721,836	0	337,724,807	-29,185,249	308,539,558
- mathematical provisions		860,024,687		0	860,024,687		860,024,687
- claims provisions	750,524,260	20,856,011	7,881,407	0	779,261,678	-65,782,613	713,479,065
- other insurance technical provisions	25,422,438	0	991,369	0	26,413,807	0	26,413,807
Insurance technical provisions for unit-linked insurance contracts		428,008,180	0	0	428,008,180	0	428,008,180
Employee benefits	7,798,035	1,450,950	281,788	1,095,614	10,626,387	0	10,626,387
Other provisions	8,268,660	116,504	163,133	11,511,940	20,060,237	0	20,060,237
Deferred tax liabilities	9,586,412	1,752,834		7,475,095	18,814,341	351,293	19,165,634
Other financial liabilities	34,490,405	8,966,681	0	52,564,736	96,021,822	-37,187,409	58,834,413
Operating liabilities	98,493,648	9,226,448	4,145,633	337,557	112,203,286	-35,636,968	76,566,318
- liabilities from direct insurance operations	13,204,552	9,165,843	4,145,633	0	26,516,028	-541,523	25,974,505
- liabilities from reinsurance and co-insurance operations	79,192,253	26,991	0	0	79,219,244	-35,095,445	44,123,799
- current tax liabilities	6,096,843	33,614	0	337,557	6,468,014	0	6,468,014
Other liabilities	34,219,751	3,873,183	3,927,529	21,053,777	63,074,240	-13,711,221	49,363,019

*Zavarovalnica Triglav and Triglav Group*  
*Interim Report for the period from 1 January to 31 March 2013*

(in EUR)

<b>AS AT 31 DECEMBER 2012</b>	<b>NON-LIFE</b>	<b>LIFE</b>	<b>HEALTH</b>	<b>OTHER</b>	<b>TOTAL - NON-CONSOLIDATED</b>	<b>D</b>	<b>Eliminations</b>	<b>TOTAL - CONSOLIDATED</b>
<b>ASSETS</b>	<b>1,789,171,344</b>	<b>1,436,934,084</b>	<b>29,000,678</b>	<b>323,905,677</b>	<b>3,579,011,783</b>		<b>-455,203,390</b>	<b>3,123,808,393</b>
Intangible assets	60,948,409	2,520,675	365,434	1,225,906	65,060,424		1,817,862	66,878,286
Property, plant and equipment	88,270,604	10,704,707	2,359,236	28,780,580	130,115,127		235,355	130,350,482
Deferred tax receivables	28,918,980	2,520,432	374,901	2,620,404	34,434,717		0	34,434,717
Investment property	33,836,897	3,188,771	0	51,564,069	88,589,737		11,597,126	100,186,863
Investments in subsidiaries	189,198,013	1,600,761	0	106,823,405	297,622,179		-297,622,179	0
Investments in associates	810	7,285,249	0	7,098,125	14,384,184		0	14,384,184
Financial assets	998,058,697	1,402,003,876	21,673,158	73,131,790	2,494,867,521		-48,988,869	2,445,878,652
Financial assets	998,058,697	983,121,960	21,673,158	73,131,790	2,075,985,605		-48,988,869	2,026,996,736
- loans and deposits	179,767,954	121,980,439	3,710,271	15,112,515	320,571,179		-47,293,157	273,278,022
- held to maturity	3,159,459	225,256,706	0	0	228,416,165		0	228,416,165
- available for sale	794,005,173	551,280,008	17,962,887	56,012,426	1,419,260,494		-1,695,712	1,417,564,782
- investments recognised at fair value	21,126,111	84,604,807	0	2,006,849	107,737,767		0	107,737,767
Unit-linked insurance assets	0	418,881,916	0	0	418,881,916		0	418,881,916
Reinsurers' share of technical provisions	168,833,642	9,617	0	0	168,843,259		-85,267,547	83,575,712
Receivables	206,346,575	4,656,692	4,076,095	14,263,480	229,342,842		-34,492,790	194,850,052
- receivables from direct insurance operations	101,885,358	558,578	3,777,336	0	106,221,272		-2,356,271	103,865,001
- receivables from reinsurance and co-insurance operations	70,778,349	20,843	0	0	70,799,192		-27,856,408	42,942,784
- current tax receivables	9,240,257	154	0	91,298	9,331,709		0	9,331,709
- other receivables	24,442,611	4,077,117	298,759	14,172,182	42,990,669		-4,280,111	38,710,558
Other assets	6,326,403	197,703	30,307	29,608,343	36,162,756		-2,482,348	33,680,408
Cash and cash equivalents	8,432,314	2,245,601	121,547	6,451,958	17,251,420		0	17,251,420
Non-current assets held for sale	0	0	0	2,337,617	2,337,617		0	2,337,617
<b>EQUITY AND LIABILITIES</b>	<b>1,789,171,344</b>	<b>1,436,934,084</b>	<b>29,000,678</b>	<b>323,905,677</b>	<b>3,579,011,783</b>		<b>-455,203,390</b>	<b>3,123,808,393</b>
Equity	522,540,892	96,776,850	10,401,682	231,551,006	861,270,430		-286,706,673	574,563,757
Controlling interests	522,540,892	96,776,850	10,401,682	231,551,006	861,270,430		-293,406,610	567,863,820
- share capital	115,974,541	31,119,897	25,822,144	186,624,504	359,541,086		-285,839,694	73,701,392
- share premium	43,254,647	13,067,907	0	19,884,306	76,206,860		-19,496,147	56,710,713
- reserves from profit	222,346,715	32,091,323	0	3,760,902	258,198,940		-4,965,860	253,233,080
- fair value reserve	42,650,453	5,407,124	-117,016	20,669,741	68,610,302		-16,791,248	51,819,054
- net profit/loss brought forward	79,339,131	9,801,205	-18,268,658	19,011,205	89,882,883		-3,113,788	86,769,095
- net profit/loss for the year	20,628,500	6,191,169	2,965,212	-17,546,338	12,238,543		36,571,124	48,809,667
- currency translation differences	-1,653,095	-901,775	0	-853,314	-3,408,184		229,003	-3,179,181
Non-controlling interests	0	0	0	0	0		6,699,937	6,699,937
Subordinated liabilities	26,406,976	13,677,269	1,500,000	0	41,584,245		-4,558,695	37,025,550
Insurance technical provisions	1,072,460,633	890,796,041	9,981,170	0	1,973,237,844		-85,317,063	1,887,920,781
- unearned premiums	283,810,138	415,636	1,869,256	0	286,095,030		-17,670,457	268,424,573
- mathematical provisions	0	869,949,936	0	0	869,949,936		0	869,949,936
- claims provisions	763,526,567	20,430,469	6,865,684	0	790,822,720		-67,646,606	723,176,114
- other insurance technical provisions	25,123,928	0	1,246,230	0	26,370,158		0	26,370,158
Insurance technical provisions for unit-linked insurance contracts	0	417,338,984	0	0	417,338,984		0	417,338,984
Employee benefits	7,723,483	1,437,173	282,477	1,130,540	10,573,673		0	10,573,673
Other provisions	8,351,432	127,059	169,602	10,973,459	19,621,552		0	19,621,552
Deferred tax liabilities	10,788,513	2,861,666	0	7,350,526	21,000,705		351,293	21,351,998
Other financial liabilities	22,412,471	892,596	0	52,981,785	76,286,852		-36,906,286	39,380,566
Operating liabilities	77,708,078	7,370,405	3,288,659	146,445	88,513,587		-30,363,480	58,150,107
- liabilities from direct insurance operations	11,235,706	7,278,280	3,288,659	0	21,802,645		-990,928	20,811,717
- liabilities from reinsurance and co-insurance operations	66,080,146	36,521	0	0	66,116,667		-29,372,552	36,744,115
- current tax liabilities	392,226	55,604	0	146,445	594,275		0	594,275
Other liabilities	40,778,866	5,656,041	3,377,088	19,771,916	69,583,911		-11,702,486	57,881,425

*Zavarovalnica Triglav and Triglav Group*  
*Interim Report for the period from 1 January to 31 March 2013*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION BY GEOGRAPHICAL AREA**

(in EUR)

AS AT 31 MARCH 2013	SLOVENIA	OTHER	NON-CONSOLIDATED	ELIMINATIONS	CONSOLIDATED
<b>ASSETS</b>	<b>3,274,794,258</b>	<b>393,642,223</b>	<b>3,668,436,481</b>	<b>-473,234,342</b>	<b>3,195,202,139</b>
Intangible assets	59,132,635	10,948,090	70,080,725	1,817,862	71,898,587
Property, plant and equipment	90,632,625	40,253,846	130,886,471	235,355	131,121,826
Deferred tax receivables	33,697,662	1,658,006	35,355,668	0	35,355,668
Investment property	65,977,051	19,789,299	85,766,350	11,597,126	97,363,476
Investments in subsidiaries	293,254,211	5,182,092	298,436,303	-298,436,303	0
Investments in associates	14,161,111	0	14,161,111	0	14,161,111
Financial assets	2,312,103,860	203,951,393	2,516,055,253	-48,828,851	2,467,226,402
Financial investments:	1,895,231,574	190,584,347	2,085,815,921	-48,828,851	2,036,987,070
- loans and deposits	296,948,199	63,724,552	360,672,751	-47,174,158	313,498,593
- held to maturity	198,462,139	28,724,108	227,186,247	0	227,186,247
- available for sale	1,287,901,741	93,814,422	1,381,716,163	-1,654,693	1,380,061,470
- investments recognised at fair value	111,919,495	4,321,265	116,240,760	0	116,240,760
Unit-linked insurance assets	416,872,286	13,367,046	430,239,332	0	430,239,332
Reinsurers' share of technical provisions	150,122,435	37,408,890	187,531,325	-94,839,258	92,692,067
Receivables	211,226,059	58,276,553	269,502,612	-42,090,423	227,412,189
- receivables from direct insurance operations	100,806,862	36,509,308	137,316,170	-1,783,275	135,532,895
- receivables from reinsurance and co-insurance operations	71,851,529	5,339,016	77,190,545	-33,998,705	43,191,840
- current tax receivables	3,114,050	1,843,337	4,957,387	0	4,957,387
- other receivables	35,453,618	14,584,892	50,038,510	-6,308,443	43,730,067
Other assets	32,644,049	6,031,206	38,675,255	-2,689,850	35,985,405
Cash and cash equivalents	9,508,317	10,142,848	19,651,165	0	19,651,165
Noncurrent assets for sale	2,334,243	0	2,334,243	0	2,334,243
<b>EQUITY AND LIABILITIES</b>	<b>3,274,794,258</b>	<b>393,642,223</b>	<b>3,668,436,481</b>	<b>-473,234,342</b>	<b>3,195,202,139</b>
Equity	796,148,468	78,468,229	874,616,697	-287,571,047	587,045,650
Controlling interests	796,148,468	78,468,229	874,616,697	-293,726,959	580,889,738
- share capital	275,789,952	83,261,934	359,051,886	-285,350,498	73,701,388
- share premium	75,018,543	1,762,965	76,781,508	-19,966,354	56,815,154
- reserves from profit	242,780,954	15,500,549	258,281,503	-4,979,204	253,302,299
- fair value reserve	56,173,624	2,884,423	59,058,047	-16,907,819	42,150,228
- net profit/loss brought forward	120,811,578	-19,845,493	100,966,085	34,622,000	135,588,085
- net profit/loss for the year	25,573,817	-1,555,779	24,018,038	-1,324,196	22,693,842
- currency translation differences	0	-3,540,370	-3,540,370	179,112	-3,361,258
Non-controlling interests	0	0	0	6,155,912	6,155,912
Subordinated liabilities	40,229,877	1,356,434	41,586,311	-4,511,127	37,075,184
Insurance technical provisions	1,767,858,137	235,566,842	2,003,424,979	-94,967,862	1,908,457,117
- unearned premiums	274,838,247	62,886,560	337,724,807	-29,185,249	308,539,558
- mathematical provisions	815,689,428	44,335,259	860,024,687	0	860,024,687
- claims provisions	655,670,479	123,591,199	779,261,678	-65,782,613	713,479,065
- other insurance technical provisions	21,659,983	4,753,824	26,413,807	0	26,413,807
Insurance technical provisions for unit-linked insurance contracts	414,655,170	13,353,010	428,008,180	0	428,008,180
Employee benefits	9,440,999	1,185,388	10,626,387	0	10,626,387
Other provisions	12,453,583	7,606,654	20,060,237	0	20,060,237
Deferred tax liabilities	18,286,543	527,798	18,814,341	351,293	19,165,634
Other financial liabilities	71,477,790	24,544,032	96,021,822	-37,187,409	58,834,413
Operating liabilities	94,388,048	17,815,238	112,203,286	-35,636,968	76,566,318
- liabilities from direct insurance operations	19,403,979	7,112,049	26,516,028	-541,523	25,974,505
- liabilities from reinsurance and co-insurance operations	68,567,114	10,652,130	79,219,244	-35,095,445	44,123,799
- current tax liabilities	6,416,955	51,059	6,468,014	0	6,468,014
Other liabilities	49,855,643	13,218,598	63,074,241	-13,711,222	49,363,019

*Zavarovalnica Triglav and Triglav Group  
Interim Report for the period from 1 January to 31 March 2013*

(in EUR)					
AS AT 31 DECEMBER 2012	SLOVENIA	OTHER	NON-CONSOLIDATED	Eliminations	CONSOLIDATED
<b>ASSETS</b>	<b>3,190,566,666</b>	<b>388,445,117</b>	<b>3,579,011,783</b>	<b>-455,203,390</b>	<b>3,123,808,393</b>
Intangible assets	54,118,220	10,942,204	65,060,424	1,817,862	66,878,286
Property, plant and equipment	93,518,448	36,596,679	130,115,127	235,355	130,350,482
Deferred tax receivables	32,743,054	1,691,663	34,434,717	0	34,434,717
Investment property	64,986,142	23,603,595	88,589,737	11,597,126	100,186,863
Investments in subsidiaries	292,440,723	5,181,456	297,622,179	-297,622,179	0
Investments in associates	14,384,184	0	14,384,184	0	14,384,184
Financial assets	2,289,877,331	204,990,190	2,494,867,521	-48,988,869	2,445,878,652
Financial assets	1,883,374,543	192,611,062	2,075,985,605	-48,988,869	2,026,996,736
- loans and deposits	255,524,416	65,046,763	320,571,179	-47,293,157	273,278,022
- held to maturity	199,277,500	29,138,665	228,416,165	0	228,416,165
- available for sale	1,325,255,570	94,004,924	1,419,260,494	-1,695,712	1,417,564,782
- investments recognised at fair value	103,317,057	4,420,710	107,737,767	0	107,737,767
Unit-linked insurance assets	406,502,788	12,379,128	418,881,916	0	418,881,916
Reinsurers' share of technical provisions	132,202,677	36,640,582	168,843,259	-85,267,547	83,575,712
Receivables	174,932,784	54,410,058	229,342,842	-34,492,790	194,850,052
- receivables from direct insurance operations	74,079,379	32,141,893	106,221,272	-2,356,271	103,865,001
- receivables from reinsurance and co-insurance operations	64,471,298	6,327,894	70,799,192	-27,856,408	42,942,784
- current tax receivables	7,490,565	1,841,144	9,331,709	0	9,331,709
- other receivables	28,891,542	14,099,127	42,990,669	-4,280,111	38,710,558
Other assets	31,250,939	4,911,817	36,162,756	-2,482,348	33,680,408
Cash and cash equivalents	7,774,547	9,476,873	17,251,420	0	17,251,420
Non-current assets held for sale	2,337,617	0	2,337,617	0	2,337,617
<b>EQUITY AND LIABILITIES</b>	<b>3,190,566,666</b>	<b>388,445,117</b>	<b>3,579,011,783</b>	<b>-455,203,390</b>	<b>3,123,808,393</b>
Share capital	781,402,446	79,867,984	861,270,430	-286,706,673	574,563,757
Controlling interests	781,402,446	79,867,984	861,270,430	-293,406,610	567,863,820
- share capital	276,279,152	83,261,934	359,541,086	-285,839,694	73,701,392
- share premium	74,443,895	1,762,965	76,206,860	-19,496,147	56,710,713
- reserves from profit	242,702,915	15,496,025	258,198,940	-4,965,860	253,233,080
- fair value reserve	66,014,133	2,596,169	68,610,302	-16,791,248	51,819,054
- net profit/loss brought forward	104,230,833	-14,347,950	89,882,883	-3,113,788	86,769,095
- net profit/loss for the year	17,731,518	-5,492,975	12,238,543	36,571,124	48,809,667
- currency translation differences	0	-3,408,184	-3,408,184	229,003	-3,179,181
Non-controlling interests	0	0	0	6,699,937	6,699,937
Subordinated liabilities	40,221,260	1,362,985	41,584,245	-4,558,695	37,025,550
Insurance technical provisions	1,739,652,960	233,584,884	1,973,237,844	-85,317,063	1,887,920,781
- unearned premiums	226,269,982	59,825,048	286,095,030	-17,670,457	268,424,573
- mathematical provisions	826,665,167	43,284,769	869,949,936	0	869,949,936
- claims provisions	665,571,588	125,251,132	790,822,720	-67,646,606	723,176,114
- other insurance technical provisions	21,146,223	5,223,935	26,370,158	0	26,370,158
Insurance technical provisions for unit-linked insurance contracts	404,899,884	12,439,100	417,338,984	0	417,338,984
Employee benefits	9,363,448	1,210,225	10,573,673	0	10,573,673
Other provisions	11,944,984	7,676,568	19,621,552	0	19,621,552
Deferred tax liabilities	20,615,780	384,925	21,000,705	351,293	21,351,998
Other financial liabilities	51,489,102	24,797,750	76,286,852	-36,906,286	39,380,566
Operating liabilities	73,604,679	14,908,908	88,513,587	-30,363,480	58,150,107
- liabilities from direct insurance operations	15,808,735	5,993,910	21,802,645	-990,928	20,811,717
- liabilities from reinsurance and co-insurance operations	57,320,673	8,795,994	66,116,667	-29,372,552	36,744,115
- current tax liabilities	475,271	119,004	594,275	0	594,275
Other liabilities	57,372,123	12,211,788	69,583,911	-11,702,486	57,881,425



## CONSOLIDATED INCOME STATEMENT BY BUSINESS SEGMENT

	(in EUR)				
FOR THE PERIOD FROM 01 JANUARY 2013 TO 31 MARCH 2013	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL - CONSOLIDATED
<b>NET PREMIUM INCOME</b>	<b>134,168,052</b>	<b>49,563,262</b>	<b>25,128,151</b>	<b>0</b>	<b>208,859,465</b>
- gross written premium	183,074,274	49,667,732	25,980,732	0	258,722,738
- ceded written premium	-26,792,060	0	0	0	-26,792,060
- change in unearned premiums	-22,114,162	-104,470	-852,581	0	-23,071,213
<b>INCOME FROM FINANCIAL ASSETS</b>	<b>12,246,240</b>	<b>28,396,358</b>	<b>193,789</b>	<b>296,045</b>	<b>41,132,432</b>
<i>INCOME FROM FINANCIAL ASSETS IN ASSOCIATES</i>	<i>539</i>	<i>187,454</i>	<i>0</i>	<i>73,366</i>	<i>261,359</i>
- profit on equity investments accounted for using the equity method	0	187,454	0	73,366	260,820
- 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	539	0	0	0	539
<i>INCOME FROM OTHER FINANCIAL ASSETS</i>	<i>12,245,701</i>	<i>15,419,304</i>	<i>193,789</i>	<i>222,679</i>	<i>28,081,473</i>
- interest income	8,518,350	9,197,555	174,402	122,274	18,012,581
- dividends	19,048	119,893	0	58,951	197,892
- fair value gains	175,444	1,687,327	0	0	1,862,771
- realised gains on disposals	2,349,619	4,010,094	19,387	0	6,379,100
- other financial income	1,183,240	404,435	0	41,454	1,629,129
<i>NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>0</i>	<i>12,789,600</i>	<i>0</i>	<i>0</i>	<i>12,789,600</i>
<b>OTHER INCOME FROM INSURANCE OPERATIONS</b>	<b>2,325,295</b>	<b>40,667</b>	<b>7,741</b>	<b>0</b>	<b>2,373,703</b>
- fees and commission income	947,283	36,190	0	0	983,473
- other income from insurance operations	1,378,012	4,477	7,741	0	1,390,230
<b>OTHER INCOME</b>	<b>871,365</b>	<b>70,879</b>	<b>1,964</b>	<b>17,647,240</b>	<b>18,591,448</b>
<b>NET CLAIMS INCURRED</b>	<b>79,427,332</b>	<b>48,404,130</b>	<b>21,347,388</b>	<b>0</b>	<b>149,178,850</b>
- gross claims settled	90,902,372	47,975,687	18,408,237	0	157,286,296
- reinsurers' and co-insurers' share	-3,525,523	0	0	0	-3,525,523
- changes in claims provisions	-7,949,517	428,443	1,013,156	0	-6,507,918
- equalisation scheme expenses for supplementary health insurance	0	0	1,925,995	0	1,925,995
<b>CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS</b>	<b>349,965</b>	<b>-4,017,544</b>	<b>-254,861</b>	<b>0</b>	<b>-3,922,440</b>
<b>CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNITLINKED INSURANCE CONTRACTS</b>	<b>0</b>	<b>10,730,293</b>	<b>0</b>	<b>0</b>	<b>10,730,293</b>
Expenses for bonuses and discounts	2,453,978	412	0	0	2,454,390
<b>OPERATING EXPENSES</b>	<b>36,468,934</b>	<b>6,998,313</b>	<b>1,595,707</b>	<b>0</b>	<b>45,062,954</b>
- acquisition costs	23,911,912	4,038,149	248,777	0	28,198,838
- other operating costs	12,557,022	2,960,164	1,346,930	0	16,864,116
<b>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES</b>	<b>6,790,015</b>	<b>8,827,618</b>	<b>32,811</b>	<b>1,413,462</b>	<b>17,063,906</b>
<i>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>664,610</i>	<i>664,610</i>
- loss on investments accounted for using the equity method	0	0	0	664,610	664,610
- interest expense	0	0	0	0	0
- fair value losses	0	0	0	0	0
- realised loss on disposals	0	0	0	0	0
- other expenses from financial assets and liabilities	0	0	0	0	0
<i>EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES</i>	<i>6,790,015</i>	<i>8,827,618</i>	<i>32,811</i>	<i>748,852</i>	<i>14,738,113</i>
- interest expense	0	0	0	279,341	838,179
- fair value losses	0	0	0	31,892	4,592,005
- realised loss on disposals	0	0	0	100,855	1,738,286
- permanent impairment of financial assets	0	0	0	336,257	6,007,022
- other expenses from financial assets and liabilities	0	0	0	507	1,562,621
<i>NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,661,183</i>
<b>OTHER INSURANCE EXPENSES</b>	<b>4,517,557</b>	<b>180,125</b>	<b>234,879</b>	<b>0</b>	<b>4,932,561</b>
<b>OTHER EXPENSES</b>	<b>1,188,604</b>	<b>49,137</b>	<b>0</b>	<b>15,759,157</b>	<b>16,996,898</b>
<b>PROFIT/ LOSS BEFORE TAX</b>	<b>18,414,567</b>	<b>6,898,682</b>	<b>2,375,721</b>	<b>770,666</b>	<b>28,459,636</b>
Income tax expense	4,034,701	1,280,462	0	241,206	5,556,369
<b>NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD</b>	<b>14,379,866</b>	<b>5,618,220</b>	<b>2,375,721</b>	<b>529,460</b>	<b>22,903,267</b>
Net profit / loss attributable to the controlling company	14,260,778	5,585,615	2,375,721	536,423	22,758,537
Net profit / loss attributable to non-controlling interest holders	119,090	32,605	0	-6,963	144,732

Zavarovalnica Triglav and Triglav Group  
Interim Report for the period from 1 January to 31 March 2013

	(in EUR)				
FOR THE PERIOD FROM 1 JANUARY 2012 TO 31 MARCH 2012	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL - CONSOLIDATED
<b>NET PREMIUM INCOME</b>	<b>147,176,315</b>	<b>53,474,340</b>	<b>20,922,104</b>	<b>0</b>	<b>221,572,759</b>
- gross written premium	198,209,774	53,559,177	21,678,466	0	273,447,417
- ceded written premium	-29,916,842	-971	0	0	-29,917,813
- change in unearned premiums	-21,116,617	-83,866	-756,362	0	-21,956,845
<b>INCOME FROM FINANCIAL ASSETS</b>	<b>21,767,936</b>	<b>45,638,309</b>	<b>154,292</b>	<b>516,239</b>	<b>68,076,776</b>
<i>INCOME FROM FINANCIAL ASSETS IN ASSOCIATES</i>	<i>6,092</i>	<i>425,816</i>	<i>0</i>	<i>140,468</i>	<i>572,376</i>
- profit on equity investments accounted for using the equity method	0	425,816	0	0	425,816
- 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	6,092	0	0	140,468	146,560
<i>INCOME FROM OTHER FINANCIAL ASSETS</i>	<i>21,761,844</i>	<i>28,314,876</i>	<i>154,292</i>	<i>375,771</i>	<i>50,606,783</i>
- interest income	10,925,344	10,757,500	154,290	85,876	21,923,010
- dividends	4,930	77,562	0	0	82,492
- fair value gains	1,396,930	3,074,744	0	36,442	4,508,116
- realised gains on disposals	1,645,569	729,997	0	146,261	2,521,827
- other financial income	7,789,071	13,675,073	2	107,192	21,571,338
<i>NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>0</i>	<i>16,897,617</i>	<i>0</i>	<i>0</i>	<i>16,897,617</i>
<b>OTHER INCOME FROM INSURANCE OPERATIONS</b>	<b>3,245,231</b>	<b>3,449,696</b>	<b>6,010</b>	<b>0</b>	<b>6,700,937</b>
- fees and commission income	1,555,600	3,436,765	0	0	4,992,365
- other income from insurance operations	1,689,631	12,931	6,010	0	1,708,572
<b>OTHER INCOME</b>	<b>1,210,185</b>	<b>53,488</b>	<b>9,958</b>	<b>18,884,547</b>	<b>20,158,178</b>
<b>NET CLAIMS INCURRED</b>	<b>78,279,731</b>	<b>42,828,365</b>	<b>18,650,995</b>	<b>0</b>	<b>139,759,091</b>
- gross claims settled	93,008,385	42,216,797	16,111,200	0	151,336,382
- reinsurers' and co-insurers' share	-4,483,356	0	0	0	-4,483,356
- changes in claims provisions	-10,245,298	611,568	775,234	0	-8,858,496
- equalisation scheme expenses for supplementary health insurance	0	0	1,764,561	0	1,764,561
<b>CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS</b>	<b>314,955</b>	<b>19,623,783</b>	<b>-586,954</b>	<b>0</b>	<b>19,351,784</b>
<b>CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNITLINKED INSURANCE CONTRACTS</b>	<b>0</b>	<b>1,046,410</b>	<b>0</b>	<b>0</b>	<b>1,046,410</b>
<b>Expenses for bonuses and discounts</b>	<b>2,307,787</b>	<b>381</b>	<b>0</b>	<b>0</b>	<b>2,308,168</b>
<b>OPERATING EXPENSES</b>	<b>36,647,512</b>	<b>7,627,929</b>	<b>1,644,177</b>	<b>0</b>	<b>45,919,618</b>
- acquisition costs	24,444,558	4,310,306	276,830	0	29,031,694
- other operating costs	12,202,954	3,317,623	1,367,347	0	16,887,924
<b>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES</b>	<b>22,843,967</b>	<b>32,997,497</b>	<b>5,594</b>	<b>1,487,008</b>	<b>57,334,066</b>
<i>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES</i>	<i>0</i>	<i>30,222</i>	<i>0</i>	<i>1,205,952</i>	<i>1,236,174</i>
- loss on investments accounted for using the equity method	0	30,222	0	1,205,952	1,236,174
- interest expense	0	0	0	0	0
- fair value losses	0	0	0	0	0
- realised loss on disposals	0	0	0	0	0
- other expenses from financial assets and liabilities	0	0	0	0	0
<i>EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES</i>	<i>22,843,967</i>	<i>32,360,098</i>	<i>5,594</i>	<i>281,056</i>	<i>55,490,715</i>
- interest expense	700,408	206,976	788	189,833	1,098,005
- fair value losses	2,818,009	7,411,361	0	40,619	10,269,989
- realised loss on disposals	6,885,218	19,499,157	0	0	26,384,375
- permanent impairment of financial assets	10,650,456	4,499,779	0	3,693	15,153,928
- other expenses from financial assets and liabilities	1,789,876	742,825	4,806	46,911	2,584,418
<i>NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>0</i>	<i>607,177</i>	<i>0</i>	<i>0</i>	<i>607,177</i>
<b>OTHER INSURANCE EXPENSES</b>	<b>8,623,806</b>	<b>3,648,733</b>	<b>147,854</b>	<b>0</b>	<b>12,420,393</b>
<b>OTHER EXPENSES</b>	<b>729,929</b>	<b>37,515</b>	<b>311</b>	<b>16,205,801</b>	<b>16,973,556</b>
<b>PROFIT/ LOSS BEFORE TAX</b>	<b>23,651,980</b>	<b>-5,194,780</b>	<b>1,230,387</b>	<b>1,707,977</b>	<b>21,395,564</b>
Income tax expense	3,712,135	0	0	56,983	3,769,118
<b>NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD</b>	<b>19,939,845</b>	<b>-5,194,780</b>	<b>1,230,387</b>	<b>1,650,994</b>	<b>17,626,446</b>
Net profit / loss attributable to the controlling company	19,903,514	-5,214,813	1,230,387	1,051,660	16,970,752
Net profit / loss attributable to non-controlling interest holders	36,331	20,033	0	599,334	655,698

## CONSOLIDATED INCOME STATEMENT BY GEOGRAPHICAL AREA

	(in EUR)		
FOR THE PERIOD FROM 1 JANUARY 2013 TO 31 MARCH 2013	SLOVENIA	OTHER	TOTAL - CONSOLIDATED
<b>NET PREMIUM INCOME</b>	<b>173,256,547</b>	<b>35,602,918</b>	<b>208,859,465</b>
- gross written premium	217,164,662	41,558,076	258,722,738
- ceded written premium	-22,481,453	-4,310,607	-26,792,060
- change in unearned premiums	-21,426,662	-1,644,551	-23,071,213
<b>INCOME FROM FINANCIAL ASSETS</b>	<b>37,139,022</b>	<b>3,993,410</b>	<b>41,132,432</b>
<i>INCOME FROM FINANCIAL ASSETS IN ASSOCIATES</i>	<i>261,359</i>	<i>0</i>	<i>261,359</i>
- profit on equity investments accounted for using the equity method	260,820	0	260,820
- 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	539	0	539
<i>INCOME FROM OTHER FINANCIAL ASSETS</i>	<i>24,682,707</i>	<i>3,398,766</i>	<i>28,081,473</i>
- interest income	15,695,499	2,317,082	18,012,581
- dividends	197,892	0	197,892
- fair value gains	1,726,603	136,168	1,862,771
- realised gains on disposals	6,276,131	102,969	6,379,100
- other financial income	786,582	842,547	1,629,129
<i>NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>12,194,956</i>	<i>594,644</i>	<i>12,789,600</i>
<b>OTHER INCOME FROM INSURANCE OPERATIONS</b>	<b>1,231,207</b>	<b>1,142,496</b>	<b>2,373,703</b>
- fees and commission income	535,685	447,788	983,473
- other income from insurance operations	695,522	694,708	1,390,230
<b>OTHER INCOME</b>	<b>17,170,552</b>	<b>1,420,896</b>	<b>18,591,448</b>
<b>NET CLAIMS INCURRED</b>	<b>127,139,571</b>	<b>22,039,279</b>	<b>149,178,850</b>
- gross claims settled	134,805,596	22,480,700	157,286,296
- reinsurers' and co-insurers' share	-2,904,204	-621,319	-3,525,523
- changes in claims provisions	-6,687,816	179,898	-6,507,918
- equalisation scheme expenses for supplementary health insurance	1,925,995	0	1,925,995
<b>CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS</b>	<b>-4,695,024</b>	<b>772,584</b>	<b>-3,922,440</b>
<b>CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNITLINKED INSURANCE CONTRACTS</b>	<b>9,755,286</b>	<b>975,007</b>	<b>10,730,293</b>
<b>Expenses for bonuses and discounts</b>	<b>2,202,244</b>	<b>252,146</b>	<b>2,454,390</b>
<b>OPERATING EXPENSES</b>	<b>32,730,116</b>	<b>12,332,838</b>	<b>45,062,954</b>
- acquisition costs	21,371,390	6,827,448	28,198,838
- other operating costs	11,358,726	5,505,390	16,864,116
<b>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES</b>	<b>16,050,051</b>	<b>1,013,855</b>	<b>17,063,906</b>
<i>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES</i>	<i>664,610</i>	<i>0</i>	<i>664,610</i>
- loss on investments accounted for using the equity method	664,610	0	664,610
- interest expense	0	0	0
- fair value losses	0	0	0
- realised loss on disposals	0	0	0
- other expenses from financial assets and liabilities	0	0	0
<i>EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES</i>	<i>13,743,152</i>	<i>994,961</i>	<i>14,738,113</i>
- interest expense	823,418	14,761	838,179
- fair value losses	4,165,439	426,566	4,592,005
- realised loss on disposals	1,729,407	8,879	1,738,286
- permanent impairment of financial assets	5,765,619	241,403	6,007,022
- other expenses from financial assets and liabilities	1,259,269	303,352	1,562,621
<i>NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>1,642,289</i>	<i>18,894</i>	<i>1,661,183</i>
<b>OTHER INSURANCE EXPENSES</b>	<b>2,217,247</b>	<b>2,715,314</b>	<b>4,932,561</b>
<b>OTHER EXPENSES</b>	<b>14,493,482</b>	<b>2,503,416</b>	<b>16,996,898</b>
<b>PROFIT/ LOSS BEFORE TAX</b>	<b>28,904,355</b>	<b>-444,719</b>	<b>28,459,636</b>
Income tax expense	5,391,259	165,110	5,556,369
<b>NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD</b>	<b>23,513,096</b>	<b>-609,829</b>	<b>22,903,267</b>
Net profit / loss attributable to the controlling company	23,510,979	-752,442	22,758,537
Net profit / loss attributable to non-controlling interest holders	2,117	142,615	144,732

Zavarovalnica Triglav and Triglav Group  
Interim Report for the period from 1 January to 31 March 2013

(in EUR)

FOR THE PERIOD FROM 1 JANUARY 2012 TO 31 MARCH 2012	SLOVENIA	OTHER	TOTAL - CONSOLIDATED
<b>NET PREMIUM INCOME</b>	<b>183,248,604</b>	<b>38,324,155</b>	<b>221,572,759</b>
- gross written premium	229,832,735	43,614,682	273,447,417
- ceded written premium	-24,564,296	-5,353,517	-29,917,813
- change in unearned premiums	-22,019,835	62,990	-21,956,845
<b>INCOME FROM FINANCIAL ASSETS</b>	<b>63,839,561</b>	<b>4,237,215</b>	<b>68,076,776</b>
<i>INCOME FROM FINANCIAL ASSETS IN ASSOCIATES</i>	<i>572,376</i>	<i>0</i>	<i>572,376</i>
- profit on equity investments accounted for using the equity method	425,816	0	425,816
- 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	146,560	0	146,560
<i>INCOME FROM OTHER FINANCIAL ASSETS</i>	<i>46,981,733</i>	<i>3,625,050</i>	<i>50,606,783</i>
- interest income	19,505,824	2,417,186	21,923,010
- dividends	82,246	246	82,492
- fair value gains	4,342,179	165,937	4,508,116
- realised gains on disposals	2,481,735	40,092	2,521,827
- other financial income	20,569,749	1,001,589	21,571,338
<i>NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>16,285,452</i>	<i>612,165</i>	<i>16,897,617</i>
<b>OTHER INCOME FROM INSURANCE OPERATIONS</b>	<b>5,321,128</b>	<b>1,379,809</b>	<b>6,700,937</b>
- fees and commission income	4,550,147	442,218	4,992,365
- other income from insurance operations	770,981	937,591	1,708,572
<b>OTHER INCOME</b>	<b>18,360,931</b>	<b>1,797,247</b>	<b>20,158,178</b>
<b>NET CLAIMS INCURRED</b>	<b>115,546,955</b>	<b>24,212,136</b>	<b>139,759,091</b>
- gross claims settled	128,631,467	22,704,915	151,336,382
- reinsurers' and co-insurers' share	-3,519,838	-963,518	-4,483,356
- changes in claims provisions	-11,329,235	2,470,739	-8,858,496
- equalisation scheme expenses for supplementary health insurance	1,764,561	0	1,764,561
<b>CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS</b>	<b>18,573,383</b>	<b>778,401</b>	<b>19,351,784</b>
<b>CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNLINKED INSURANCE CONTRACTS</b>	<b>0</b>	<b>1,046,410</b>	<b>1,046,410</b>
<b>Expenses for bonuses and discounts</b>	<b>2,026,744</b>	<b>281,424</b>	<b>2,308,168</b>
<b>OPERATING EXPENSES</b>	<b>32,681,625</b>	<b>13,237,993</b>	<b>45,919,618</b>
- acquisition costs	21,352,224	7,679,470	29,031,694
- other operating costs	11,329,401	5,558,523	16,887,924
<b>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES</b>	<b>55,919,144</b>	<b>1,414,922</b>	<b>57,334,066</b>
<i>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES</i>	<i>1,236,174</i>	<i>0</i>	<i>1,236,174</i>
- loss on investments accounted for using the equity method	1,236,174	0	1,236,174
- interest expense	0	0	0
- fair value losses	0	0	0
- realised loss on disposals	0	0	0
- other expenses from financial assets and liabilities	0	0	0
<i>EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES</i>	<i>54,083,623</i>	<i>1,407,092</i>	<i>55,490,715</i>
- interest expense	1,059,839	38,166	1,098,005
- fair value losses	9,972,599	297,390	10,269,989
- realised loss on disposals	26,371,939	12,436	26,384,375
- permanent impairment of financial assets	15,106,718	47,210	15,153,928
- other expenses from financial assets and liabilities	1,572,528	1,011,890	2,584,418
<i>NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	<i>599,347</i>	<i>7,830</i>	<i>607,177</i>
<b>OTHER INSURANCE EXPENSES</b>	<b>8,466,247</b>	<b>3,954,146</b>	<b>12,420,393</b>
<b>OTHER EXPENSES</b>	<b>15,038,278</b>	<b>1,935,278</b>	<b>16,973,556</b>
<b>PROFIT/ LOSS BEFORE TAX</b>	<b>22,517,848</b>	<b>-1,122,284</b>	<b>21,395,564</b>
Income tax expense	3,769,118	0	3,769,118
<b>NET PROFIT / LOSS FOR THE ACCOUNTING PERIOD</b>	<b>18,748,730</b>	<b>-1,122,284</b>	<b>17,626,446</b>
Net profit / loss attributable to the controlling company	18,015,427	-1,044,679	16,970,752
Net profit / loss attributable to non-controlling interest holders	733,303	-77,605	655,698

### 3.6. Significant items of statement of financial position

#### Intangible assets

In the first quarter of 2013, intangible assets of Zavarovalnica Triglav increased by EUR 6.1 million. The increase was due to higher deferred acquisition costs (EUR 5.9 million) and acquisition of computer software licences (EUR 643 thousand).

In the reporting period, intangible assets of the Triglav Group increased by EUR 6.7 million. The respective increase disclosed in the consolidated financial statements also arises from higher deferred acquisition costs (EUR 5.9 million) and purchase of other intangible assets in the amount of EUR 878 thousand.

#### Property, plant and equipment

In the first quarter of 2013, Zavarovalnica Triglav acquired new property, plant and equipment in the amount of EUR 902 thousand. As at 31 March 2013, liabilities for the acquisition of land, buildings and equipment amounted to EUR 108 thousand.

At the Group level payments for property, plant and equipment totalled EUR 1.8 million in the first quarter of 2013.

#### Financial assets

Tables below show financial assets of Zavarovalnica Triglav and Triglav Group by different groups of financial assets. Amounts are disclosed at their carrying amounts as at 31 March 2013.

(in EUR)					
Zavarovalnica Triglav, d.d.	L&R	HTM	AFS	FVTPL	TOTAL
Equity securities	0	0	85,997,210	0	85,997,210
Debt securities	22,339,585	198,462,139	1,008,684,541	107,386,264	1,336,872,529
Derivative financial instruments	0	0	0	328,846	328,846
Unit-linked financial assets	6,287,236	0	0	410,585,049	416,872,285
Loans	243,599,244	0	3,833,135	2,468,029	249,900,409
<b>TOTAL</b>	<b>272,226,065</b>	<b>198,462,139</b>	<b>1,098,514,886</b>	<b>520,768,189</b>	<b>2,089,971,280</b>

(in EUR)					
Triglav Group	L&R	HTM	AFS	FVTPL	TOTAL
Equity securities	50,000	0	149,706,201	2,878,033	152,634,234
Debt securities	39,270,081	227,186,248	1,226,522,130	109,385,024	1,602,363,483
Derivative financial instruments	0	0	0	1,509,673	1,509,673
Unit-linked financial assets	6,436,897	0	427,799	423,374,635	430,239,331
Loans	274,178,511	0	3,833,135	2,468,029	280,479,675
<b>TOTAL</b>	<b>319,935,489</b>	<b>227,186,248</b>	<b>1,380,489,265</b>	<b>539,615,394</b>	<b>2,467,226,396</b>

Notes:

- L&R: loans and receivables
- HTM: held to maturity financial assets
- AFS: available for sale financial assets
- FVTPL: financial assets, measured at fair value through profit and 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: valuation through market prices quoted for identical assets in an active market (stock exchange prices and Bloomberg generic prices). This group includes financial assets with available market prices in an active market, as well as listed derivative financial instruments.
- Level 2: valuation through comparable market data (other than prices of identical listed assets), acquired directly or indirectly for an identical or similar asset.
- Level 3: valuation through valuation models mostly using unobservable market inputs. This group includes shares in companies with no active market, valued through valuation models using unobservable market inputs, and security holdings measured at historical cost, since their fair value cannot be reliably measured.

(in EUR)

<b>Zavarovalnica Triglav, d.d.</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>TOTAL</b>
Equity securities	69,804,645	0	16,192,565	85,997,210
Debt securities	992,004,267	124,066,538	0	1,116,070,805
Derivative financial instruments	69,416	259,430	0	328,846
Unit-linked financial assets	317,457,323	93,127,726	0	410,585,049
<b>TOTAL</b>	<b>1,379,335,652</b>	<b>217,453,694</b>	<b>16,192,565</b>	<b>1,612,981,911</b>

(in EUR)

<b>Triglav Group</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>TOTAL</b>
Equity securities	99,137,685	0	53,446,550	152,584,235
Debt securities	1,189,527,039	146,178,021	202,094	1,335,907,154
Derivative financial instruments	1,250,243	259,430	0	1,509,673
Unit-linked financial assets	330,674,708	93,127,726	0	423,802,434
<b>TOTAL</b>	<b>1,620,589,675</b>	<b>239,565,177</b>	<b>53,648,644</b>	<b>1,913,803,496</b>

### *Changes of Level 3 financial assets*

(in EUR)

	<b>Zavarovalnica Triglav, d.d.</b>	<b>Triglav Group</b>
<b>Balance as at 1 January 2013</b>	<b>16,196,374</b>	<b>53,288,576</b>
Acquisitions	0	65,317
Disposals	0	-434,686
Revaluation through profit and loss	0	-88,350
Revaluation through equity	-3,809	19,544
Reclassifications from Level 1 and Level 2	0	799,598
Foreign exchange differences	0	-1,355
<b>Balance as at 31 March 2013</b>	<b>16,192,565</b>	<b>53,648,644</b>

### Impairment

In the income statements of Zavarovalnica Triglav and the Triglav Group, an impairment loss on financial assets of EUR 5.4 million and EUR 6.0 million respectively was recognised in the first quarter of 2013. No impairment loss on other assets or reversal of such impairment loss was recognised in the reporting period.

### Subordinated debt instruments

From 1 January 2013 to 31 March 2013, Zavarovalnica Triglav did not issue, buy back or redeem any debt securities.

### Contingent liabilities

In the reporting period contingent liabilities of Zavarovalnica Triglav rose by EUR 54 thousand over 31 December 2012 and equalled total guarantee given to a subsidiary.

### Distribution of accumulated profits for 2012

On 11 June 2013 the General Meeting of Shareholders will decide on the distribution of accumulated profits.

## **3.7. Changes in equity stakes in subsidiaries and business combinations**

### *Purchase of shares of Slovenijales d.d. Ljubljana*

In the reporting period, Zavarovalnica Triglav purchased 5,744 shares of Slovenijales, d.d. from non-controlling interest holders, thus becoming the sole owner (100%) of that subsidiary. The purchase price for a 2.02% equity stake was recorded at EUR 686,006. The difference between the amount by which the non-controlling interests are adjusted and received compensation in the amount of EUR 118,328 is recognized as capital reserve in consolidated financial statements.

### *Other changes in Triglav Group*

Group company Avrigo, d.o.o, increased share capital of its subsidiary Integral Zagorje, d.o.o. in the amount of EUR 127,482.

### 3.8. Related party transactions

#### Management Board of Zavarovalnica Triglav

In the first three months of 2013, members of the Management Board of Zavarovalnica Triglav were paid the following amounts as compensation for their work:

MANAGEMENT BOARD	Fixed salaries (gross)	Other additional payments*	Bonuses	BENEFITS		Reimbursements	Net pay received	(in EUR)
				Insurance premiums**	Other benefits***			
Matjaž Rakovec	34,953	0	0	13,984	2,760	675	7,351	
Andrej Slapar	36,010	0	0	13,630	1,968	1,154	8,462	
Marica Makoter	36,010	0	0	4,719	1,856	104	13,335	
Stanislav Vrtunski	36,010	0	0	4,791	1,680	185	14,035	
Benjamin Jošar	30,778	0	0	24	2,786	265	12,946	
<b>TOTAL</b>	<b>173,761</b>	<b>0</b>	<b>0</b>	<b>37,148</b>	<b>11,050</b>	<b>2,383</b>	<b>56,129</b>	

\* Other additional payments include holiday allowance.

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

\*\*\* Other benefits – company cars

As at 31 March 2013, Zavarovalnica Triglav had the following receivables from and liabilities to the Management Board members:

MANAGEMENT BOARD	(in EUR)	
	Receivables as at 31 March 2013	Liabilities as at 31 March 2013
Matjaž Rakovec	95	22,345
Andrej Slapar	53	21,931
Marica Makoter	16	15,736
Stanislav Vrtunski	17	11,278
Benjamin Jošar	0	6,979
Igor Stebernak	0	8,416
<b>TOTAL</b>	<b>181</b>	<b>86,685</b>



### Supervisory Board of Zavarovalnica Triglav

In the first quarter of 2013, the Supervisory Board members and members of Committees of Zavarovalnica Triglav were paid the following amounts as compensation for their work:

SUPERVISORY BOARD OF	(in EUR)				
	Flat-rate remuneration	Attendance fee	Reimbursements	Total gross pay	Total net pay
Igor Mihajlovič	4,333	770	0	5,103	3,955
Aljoša Valentinčič	2,708	990	0	3,698	2,866
Vladimir Uršič	2,708	990	420	4,118	3,192
Branko Gorjan	2,708	1,210	438	4,356	3,376
Peter Celar	2,708	550	76	3,334	2,584
Miran Krštinc	2,708	550	0	3,258	2,525
Barbara Nose	808	440	0	1,248	967
Adolf Zupan	2,708	550	134	3,392	2,629
Gregor Kastelic	3,196	550	2,117	5,863	4,544
Peter Ješovnik	0	220	0	220	171
Jovan Lukovac	2,979	715	0	3,694	2,863
<b>Total</b>	<b>27,564</b>	<b>7,535</b>	<b>3,185</b>	<b>38,284</b>	<b>29,672</b>

As at 31 March 2013, Zavarovalnica Triglav had the following receivables from and liabilities to the Supervisory Board members and members of Committees:

SUPERVISORY BOARD OF	(in EUR)	
	Receivables as at 31 March 2013	Liabilities as at 31 March 2013
Igor Mihajlovič	0	1,679
Aljoša Valentinčič	0	1,049
Vladimir Uršič	0	1,049
Branko Gorjan	0	1,049
Peter Celar	0	1,049
Miran Krštinc	0	1,049
Barbara Nose	0	313
Adolf Zupan	0	1,049
Gregor Kastelic	0	1,238
Jauk Matjaž	0	171
Jovan Lukovac	0	1,154
<b>TOTAL</b>	<b>0</b>	<b>10,849</b>

## 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)	
<b>ASSETS</b>	<b>31 March 2013</b>	<b>31 December 2012</b>
Loans given to members of the Group	43,770,478	44,905,929
Receivables from insurance premium	1,702,389	2,252,712
Premium receivable from co-insurance	9,342	6,374
Receivables from reinsurers' shares in claims	6,488,563	6,945,327
Other short-term receivables from insurance operations	4,584	10,002
Short-term receivables from financing	1,243,826	13,431
Other short-term receivables	1,594,910	1,103,579

	(in EUR)	
<b>LIABILITIES</b>	<b>31 March 2013</b>	<b>31 December 2012</b>
Liabilities towards policyholders	444,932	621,563
Liabilities to insurance brokers	44,920	178,619
Liabilities from reinsurance premiums	16,521,154	12,208,602
Liabilities from the share of claims from co-insurance	0	288
Short-term liabilities from financing	0	0
Other short-term liabilities	144,957	222,219

	(in EUR)	
<b>INCOME/EXPENSES</b>	<b>I - III 2013</b>	<b>I - III 2012</b>
Gross written premium	615,857	264,810
Assumed co-insurance written premium	7,465	0
Reinsurance written premium (-)	-23,944,431	-25,094,959
Reinsurance commission income	3,132,108	3,632,059
Other income from insurance	796,860	756,410
Interest income	499,255	399,437
Income from land and buildings	51,119	39,569
Other net income from insurance operations	279,960	190,461
Other income	193,551	46,295
<b>TOTAL INCOME</b>	<b>-18,368,257</b>	<b>-19,765,919</b>
Gross claims settled	152,000	413,287
Co-insurers' share of claims	0	2,550
Reinsurers' share of claims	-4,644,830	-5,258,140
Other costs and expenses	0	8,550
Other finance costs	0	2,996
<b>TOTAL EXPENSES</b>	<b>-4,492,830</b>	<b>-4,830,757</b>

### **Associated companies**

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)

	Zavarovalnica Triglav		Triglav Group	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
<b>ASSETS</b>				
Receivables from insurance premium	81,476	4,087	81,476	4,087
Short-term receivables from financing	750,904	750,904	750,904	750,904
Other short-term receivables	37,929	65,429	48,009	75,509

(in EUR)

	Zavarovalnica Triglav		Triglav Group	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
<b>LIABILITIES</b>				
Liabilities towards policyholders	0	25,312	0	25,312
Liabilities to insurance brokers	10,961	9,891	10,961	11,252
Other short-term liabilities	0	0	2,772	350
Accrued costs and expenses	0	0	1,116	14

(in EUR)

	Zavarovalnica Triglav		Triglav Group	
	I - III 2013	I - III 2012	I - III 2013	I - III 2012
<b>INCOME/EXPENSES</b>				
Gross written premium	82,459	372,088	82,459	372,088
<b>TOTAL INCOME</b>	<b>82,459</b>	<b>372,088</b>	<b>82,459</b>	<b>372,088</b>
Gross claims settled	14,130	15,769	14,130	15,769
Reinsurers' share in gross claims	0	0	54,312	0
<b>TOTAL EXPENSES</b>	<b>14,130</b>	<b>15,769</b>	<b>68,442</b>	<b>15,769</b>

### **3.9. Other significant events in the reporting period**

- In February 2013, the S&P credit rating agency decreased the long-term rating of the Triglav Group, including both Zavarovalnica Triglav and Pozavarovalnica Triglav Re, by one notch from »A-« to »BBB+«. This downgrade was caused by the lowering of the long-term sovereign credit rating on the Republic of Slovenia. At the same time, S&P assigned the standalone Triglav Group rating a positive outlook.
- The 37<sup>th</sup> General Meeting of Shareholders of Zavarovalnica Triglav was held on 14 February 2013. At the meeting, the shareholders took note of:
  - the expiration of the terms of office as at 7 April 2013 of the following Supervisory Board members – shareholder representatives: Igor Mihajlovič, Aljoša Valentinčič, Vladimir Uršič, Adolf Zupan, Gregor Kastelic and Jovan Lukovac;
  - the appointment of the following new Supervisory Board members – shareholder representatives with a four-year term of office commencing on 8 April 2013: Jovan Lukovac, Aleš Živkovič, Rok Strašek, Mihael Perman, Žiga Andoljšek and Blaž Šlemic.
- On 28 February 2013, Zavarovalnica Triglav was served an action for voidness by the Association of Small Shareholders of Slovenia, Dalmatinova Street 10, 1000 Ljubljana (hereinafter: MDS Association) with reference to certain resolutions passed at the 37<sup>th</sup> General Meeting of Shareholders of Zavarovalnica Triglav on 14 February 2013. In the action for voidness, the MDS Association requires from the Court to declare the following resolutions null and void: No. 1, No. 3.1, No. 3.2, No. 3.3, No. 3.5 and No. 3.6. As two main reasons to declare certain resolutions by the General Meeting of Shareholders void and null, the MDS Association states the failure to prohibit the exercising of voting rights to persons who (in Zavarovalnica Triglav) allegedly acted in concert in accordance with the provisions of the Takeover Act, and the lack of power of Slovenska odškodninska družba d.d. to act as a proxy for the shareholder Zavod za pokojninsko in invalidsko zavarovanje Slovenije at the General Meeting of Shareholders of Zavarovalnica Triglav.
- On 5 March 2013, Zavarovalnica Triglav d.d. received the Securities Market Agency Decision, issued on 4 March 2013, in which the said Agency orders Zavarovalnica Triglav d.d. to prohibit, as at the day the decision takes effect, the following persons from exercising their voting rights:
  - Slovenska odškodninska družba d.d., Mala ulica 5, Ljubljana, for the rights attached to the shares with the ticker symbol ZVTG held by Zavarovalnica Triglav d.d., and the rights attached to the shares, held by Zavod za pokojninsko in invalidsko zavarovanje, Kolodvorska 15, Ljubljana, which are exercised on behalf of and for the account of the latter by Slovenska odškodninska družba d.d., Mala ulica 5, Ljubljana;
  - HIT Hoteli, igralnice, turizem d.d., Delpinova ulica 7a, Nova Gorica;
  - Elektro-Slovenija, d.o.o., Hajdrihova ulica 2, Ljubljana;
  - D.S.U., družba za svetovanje in upravljanje d.o.o., Dunajska cesta 160, Ljubljana;
  - Nova KBM d.d., Ulica Vita Kraigherja 4, Maribor;

- Telekom Slovenije d.d., Cigaletova ulica 15, Ljubljana;

until Slovenska odškodninska družba d.d. on its own behalf and for its own account or on behalf of and for the account of Zavod za pokojninsko in invalidsko zavarovanje; Hit d.d.; Elektro-Slovenija d.o.o.; Luka Koper d.d.; D.S.U., družba za svetovanje in upravljanje d.o.o.; NOVA KBM d.d. and Telekom Slovenije d.d., Cigaletova ulica 15, Ljubljana; jointly or severally, on behalf of and for the account of all, launch a take-over bid for the offeree company Zavarovalnica Triglav d.d., Miklošičeva cesta 19, Ljubljana, in accordance with the Takeover Act, or until the companies stated hereunder and holding voting rights in the offeree company divest ZVTG shares so that they neither jointly nor severally no longer reach the takeover threshold.

### **3.10. Significant subsequent events**

No events occurring after the reporting date were material to the financial statements for the period from 1 January 2013 do 31 March 2013.

Events after the reporting date having an impact on the operations in 2013 include:

- The Supervisory Board of Zavarovalnica Triglav on 5 April 2013 approved the Audited Annual Reports of Zavarovalnica Triglav, d.d. and Triglav Group for 2012.
- On 16 April 2013, the Supervisory Board of Zavarovalnica Triglav, d.d. held its constitutive session at which it elected Mihael Perman, D.Sc., its new Chairman and Jovan Lukovac, MBA, its new Vice-Chairman. Furthermore, the Supervisory Board appointed the Audit Committee, Appointments and Compensation Committee and Strategy Committee.
- Taking into account the provisions of the agreements entered into among Zavarovalnica Triglav, d.d., Triglav INT, d.d. and IFC, a member of the World Bank Group (hereinafter: IFC), at the end of March 2012, with particular reference to the fact that the IFC has not subscribed and paid-in the Triglav INT shares within the deadline set out in the agreements, i.e. 31 December 2012, the latter not having been contractually extended, Zavarovalnica Triglav, d.d. and Triglav INT, d.d. have called upon the IFC to urgently fulfil all of the subscription conditions and undertake all other necessary steps to ensure a prompt subscription of the Triglav INT shares. The IFC is currently undertaking a review of Triglav INT's and its subsidiaries' performance during 2012 in order to determine whether the conditions to subscribe the shares pursuant to the mentioned agreements have been met. Based on the findings of such review, the contracting parties will coordinate further activities to either subscribe and pay-in the shares of Triglav INT or to terminate validity of the signed agreements.