

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



**UNAUDITED ANNUAL REPORT  
FOR 2012  
OF THE TRIGLAV GROUP AND  
ZAVAROVALNICA TRIGLAV d.d.**

**(Unaudited financial statements according to IFRS)**

Ljubljana, 6 March 2013

# 1. SUMMARY OF THE PERFORMANCE OF THE TRIGLAV GROUP AND ZAVAROVALNICA TRIGLAV d.d. IN 2012

## 1.1 Financial result in 2012

Despite difficult economic and financial environment, the Triglav Group and Zavarovalnica Triglav d.d. performed well and ended 2012 with a higher profit than in 2011. The disclosed profit before tax of the Triglav Group amounted to EUR 89.7 million and its net profit equalled EUR 73.2 million, while the profit before tax of Zavarovalnica Triglav d.d. totalled EUR 65.6 million and its net profit EUR 50.4 million.

The focus on the core business of insurance and profitability offset unfavourable business conditions and maintained high financial stability, also owing to the prudent management of business and financial risks. The deepening of the economic crisis had an impact on the total written premium of the Triglav Group, which decreased as a consequence of lower demand for certain insurance products due to lower economic activity, a decline in exports and imports, new bankruptcies, reduced purchasing power of households, higher unemployment, reduction in bank lending, etc. 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, Triglav continued with portfolio selection activities and building relationships with good and loyal clients. The combined ratio – a measure of profitability in core insurance operations – improved compared to 2011. At the level of Zavarovalnica Triglav it equalled 81.4% (vs. 83% in 2011) and at the level of the Triglav Group it was 89.6% (vs. 90.1% in 2011).

Consolidated net premium income of the Triglav Group amounted to EUR 884.4 million or 3% less than in 2011. Net premium income from health insurance grew by 14%, whilst non-life and life net premium income decreased by 6% and 4% respectively. Consolidated net claims incurred stood at EUR 578.9 million, which was approximately the same as in 2011 (index 100). Net claims incurred from non-life insurance decreased by 8%, from life insurance increased by 17% and from health insurance rose by 15%.

Consolidated gross operating costs of the Triglav Group reached EUR 299.4 million and were 5% higher than the year before, as a result of including new non-insurance companies in the Triglav Group. Expenses of insurance business at EUR 230.3 million were 2% lower than the year before, whilst expenses of non-insurance business at EUR 69.1 million increased by 34% compared to 2011. Operating expenses of insurance business accounted for 24.6% of consolidated gross written premium.

Zavarovalnica Triglav's business results were heavily influenced by the situation on capital markets, as diverse financial investments represent the majority of the Company's total assets. The global financial crisis caused market slumps and despite a conservative investment policy of the Triglav Group the value of certain portfolio investments decreased as a result. A lower value of portfolio investments was reflected foremost in lower net profit. Permanent impairments of EUR 43.7 million were made for financial assets. The year-end profit was also adversely affected by a loss arising from Greek securities holdings, owing to the effect of a unilateral write-off of the Greek government debt. As conditions in the capital markets remain volatile, the Company continues to carefully monitor their effects on the assets and liabilities structure, adapting the investment policies of individual long-term business funds and assets backing liabilities when needed. In doing so, the Company employs results of different capital adequacy models as well as the stress testing results. Financial investment return of the Triglav Group (the difference between income of EUR 173.7 million and expenses from financial assets of EUR 101.0 million) in 2012 amounted to EUR 72.7 million.

Consolidated change in other insurance technical provisions amounted to EUR -1.4 million (index 50), change in insurance technical provisions for unit-linked insurance contracts equalled EUR 52.9 million (vs. EUR -11,4 million in 2011) and expenses for bonuses and discounts reached EUR 8.6 million (index 134).

Other income from insurance operations of the Triglav Group totalled EUR 20.7 million, which was 22% less than the year before, and other income amounted to EUR 76.0 million (index 133). Other insurance expenses totalled EUR 42.8 million (index 77), whereas other expenses amounted to EUR 83.8 million (index 137).

## **1.2 Financial position in 2012**

Total balance sheet assets of the Triglav Group as at 31 December 2012 stood at EUR 3,123.8 million (index 105) and those of Zavarovalnica Triglav d.d. at EUR 2,603.1 million, which was 3% higher than as at the 2011 year-end.

The total value of equity of the Triglav Group as at 31 December 2012 stood at EUR 574.6 million, which was 17% higher than in 2011. The portion of equity in the balance sheet total was 18.4%. As at the reporting date controlling interests equalled EUR 567.9 million and non-controlling interest holders had EUR 6.7 million. Share capital amounted to EUR 73.7 million and was divided into 22,735,148 ordinary shares. Share premium amounted to EUR 56.7 million and reserves from profit totalled EUR 253.2 million. As at 31 December 2012, accumulated profit for the year was EUR 135.6 million, including net profit for the year and net profit brought forward of EUR 86.8 million. Net profit for the year amounted to EUR 48.8 million, after a decrease of EUR 25 million due to the formation of other reserves from profit and an increase of EUR 1.3 million due to the release of reserves for credit risk and catastrophe claims.

On the liabilities side, gross insurance technical provisions of the Triglav Group increased by 3% to EUR 2,305.3 million by the end of 2012. In the balance sheet total their share decreased by 1.6 percentage points, from 75.4% as at the 2011 year-end to 73.8% one year later. Among insurance technical provisions, mathematical provisions and claims provisions rose by 3%, provisions for gross unearned premiums dropped by 8% and other insurance technical provisions by 2%.

Operating liabilities as at the 2012 year-end amounted to EUR 58.2 million and were 1% above the figure reported one year earlier. They accounted for 1.9% of the balance sheet total. Liabilities from direct insurance operations dropped by 1% to EUR 20.8 million. Liabilities from co-insurance and reinsurance operations increased by 2% and reached EUR 36.7 million, whilst current tax liabilities decreased by 28% to EUR 0.6 million.

Financial liabilities of the Triglav Group remained at approximately the same level as the year before and totalled EUR 39.4 million (index 100). They accounted for 1.3% of total balance sheet liabilities, the same as the 2011 year-end.

As at the 2012 year-end, financial assets of the Group stood at EUR 2,445.9 million, which represents a 5% increase compared to one year earlier. The percentage of financial assets in total assets reached 78.3% and was 0.2 percentage point lower than as at 31 December 2011. In total financial assets, unit-linked insurance assets amounted to EUR 418.9 million and financial investments totalled EUR 2,027.0 million. In total financial investments, EUR 273.3 million is accounted for by deposits and loans, EUR 228.4 million by investments held to maturity, EUR 1,417.6 million by investments available for sale and EUR 107.7 million by investments recognised at fair value through profit/loss.

The Triglav Group's financial investments in associates fell by 30%. They totalled EUR 14.4 million and accounted for 0.5% of total assets.

Investment property totalled EUR 100.2 million. Its value increased by 4% and represented 3.2% of total assets.

As at the 2012 year-end, receivables amounted to EUR 194.9 million and were 5% below the figure reported one year earlier. They represented 6.2% of total assets. Receivables from direct insurance operations amounted to EUR 103.9 million (index 88), receivables from co-insurance and reinsurance operations totalled EUR 42.9 million (index 105), current tax receivables equalled EUR 9.3 million and other receivables stood at EUR 38.7 million (index 85).

The insurance technical provisions transferred to reinsurance contracts as at 31 December 2012 amounted to EUR 83.6 million, which was 90% more than one year earlier.

Property, plant and equipment amounted to EUR 130.4 million, accounting for 4.2% of total assets. Intangible assets stood at EUR 66.9 million and represented 2.1% of total assets.

### 1.3 Financial highlights of the Triglav Group

	EUR thousand			Index	
	2012	2011	2010	2012/2011	2011/2010
Gross written premium from insurance and co-insurance contracts	936,263	989,399	1,013,560	95	98
Net premium income	884,368	916,279	946,170	97	97
Gross claims settled	613,765	593,872	588,325	103	101
Net claims incurred	578,938	576,117	557,705	100	103
Gross operating costs	299,401	286,398	293,138	105	98
Gross insurance technical provisions as at 31 December	2,305,260	2,234,143	2,270,916	103	98
Equity as at 31 December: - year's total	574,564	489,470	498,978	117	98
- controlling interests	567,864	465,265	470,765	122	99
Profit/loss before tax	89,671	58,000	43,250	155	134
Net profit/loss: - total	73,181	47,497	26,650	154	178
- controlling interests	72,513	47,061	27,847	154	169
Return on equity: - total	13.76%	9.61%	5.46%	143	176
- controlling interests	14.04%	10.06%	6.05%	140	166
Number of employees as at 31 December	5,379	5,064	5,247	106	97

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

	EUR thousand				
	2012	2011	2010	Index	
				2012/2011	2011/2010
Gross written premium from insurance and co-insurance contracts	647,592	696,696	721,347	93	97
Net premium income	596,819	628,109	657,417	95	96
Gross claims settled	416,701	415,204	418,700	100	99
Net claims incurred	376,580	382,951	364,220	98	105
Gross operating costs	160,943	163,841	170,409	98	96
Gross technical provisions as at 31 December	1,990,151	1,940,825	1,985,056	103	98
Equity as at 31 December	507,657	437,692	481,852	116	91
Profit/loss before tax	65,637	54,396	46,714	121	116
Net profit/loss	50,392	43,783	32,104	115	136
Return on equity	10.66%	9.52%	6.69%	112	142
Number of employees as at 31 December	2,405	2,400	2,441	100	98
Book value per share (in EUR)	22.33	19.25	21.19	116	91
Net earnings/loss per share (in EUR)	2.22	1.93	1.41	115	136

## **2. THE UNAUDITED FINANCIAL STATEMENTS OF ZAVAROVANICA TRIGLAV D.D. AND THE TRIGLAV GROUP FOR THE YEAR ENDED 31 DECEMBER 2012**

The unaudited financial statements of Zavarovalnica Triglav d.d. and the Triglav Group for the year ended 31 December 2012 have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union. The same accounting policies as for the preparation of the annual financial statements for 2011 were used for the preparation of the financial statements for 2012. In the reporting period, there were no significant changes of accounting estimates for amounts which were reported in the preceding financial year.

## 2.1 CONSOLIDATED FINANCIAL STATEMENT OF THE TRIGLAV GROUP

### A. CONSOLIDATED BALANCED SHEET

in EUR

ASSETS	31. 12. 2012	31. 12. 2011
Intangible assets	66,878,286	63,333,465
Property, plant and equipment	130,350,482	128,808,682
Deferred tax receivables	34,434,717	40,661,243
Investment property	100,186,863	96,784,890
Investments in associates	14,384,184	20,504,563
Financial assets	2,445,878,644	2,326,023,820
<i>Financial investments:</i>	2,026,996,728	1,961,339,446
- <i>loans and deposits</i>	273,278,022	439,712,247
- <i>held to maturity</i>	228,416,165	245,218,281
- <i>available for sale</i>	1,417,564,774	1,192,865,725
- <i>recognised at fair value through profit and loss</i>	107,737,767	83,543,191
<i>Unit-linked insurance assets</i>	418,881,916	364,684,374
Reinsurers' share of technical provisions	83,575,712	43,983,083
Receivables	194,850,052	205,049,270
- receivables from direct insurance operations	103,865,001	118,559,323
- receivables from reinsurance and co-insurance operations	42,942,784	40,739,474
- current tax receivables	9,331,709	459,509
- other receivables	38,710,558	45,290,964
Other assets	33,680,408	12,597,206
Cash and cash equivalents	17,251,420	22,771,667
Non-current assets held for sale	2,337,617	1,482,215
<b>TOTAL ASSETS</b>	<b>3,123,808,385</b>	<b>2,962,000,104</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	574,563,757	489,469,838
<i>Controlling interests</i>	567,863,820	465,264,933
- share capital	73,701,388	73,701,402
- share premium	56,710,713	53,204,076
- reserves from profit	253,233,080	230,826,820
- fair value reserve	51,819,054	2,786,975
- net profit brought forward	86,769,095	61,135,220
- net profit/loss for the year	48,809,659	46,175,732
- currency translation differences	-3,179,169	-2,565,292
<i>Non-controlling interests</i>	6,699,937	24,204,905
Subordinated liabilities	37,025,550	40,932,090
Insurance technical provisions	1,887,920,782	1,869,646,881
- unearned premiums	268,424,573	291,740,398
- mathematical provisions	869,949,936	845,464,934
- claims provisions	723,176,115	705,464,250
- other insurance technical provisions	26,370,158	26,977,299
Insurance technical provisions for unit-linked insurance contracts	417,338,984	364,495,891
Employee benefits	10,573,673	10,392,165
Other provisions	19,621,552	19,140,222
Deferred tax liabilities	21,351,998	9,613,587
Other financial liabilities	39,380,557	39,491,120
Operating liabilities	58,150,107	57,860,742
- liabilities from direct insurance operations	20,811,717	20,928,061
- liabilities from reinsurance and co-insurance operations	36,744,115	36,106,029
- current tax liabilities	594,275	826,652
Other liabilities	57,881,425	60,957,569
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>3,123,808,385</b>	<b>2,962,000,104</b>

## B. CONSOLIDATED INCOME STATEMENT

in EUR

	2012	2011
<b>NET PREMIUM INCOME</b>	<b>884,367,872</b>	<b>916,278,896</b>
- gross written premium	936,263,023	989,398,804
- ceded written premium	-74,983,245	-80,087,864
- change in unearned premium provision	23,088,094	6,967,956
<b>INCOME FROM FINANCIAL ASSETS</b>	<b>173,651,547</b>	<b>148,981,933</b>
INCOME FROM FINANCIAL ASSETS IN ASSOCIATES	5,754,725	4,269,157
- profit on equity investments accounted for using the equity method	1,720,451	4,265,615
- interest income	0	3,060
- dividends	0	0
- fair value gains	0	0
- realised gains on disposals	0	0
- other financial income	4,034,274	482
INCOME FROM OTHER FINANCIAL ASSETS	138,074,118	118,961,870
- interest income	82,502,711	85,744,485
- dividends	3,120,364	4,366,741
- fair value gains	17,616,160	6,575,898
- realised gains on disposals	29,270,460	16,145,886
- other financial income	5,564,423	6,128,860
NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS	29,822,704	25,750,906
<b>OTHER INCOME FROM INSURANCE OPERATIONS</b>	<b>20,702,957</b>	<b>26,441,506</b>
- fees and commission income	13,741,969	17,402,868
- other income from insurance operations	6,960,988	9,038,638
<b>OTHER INCOME</b>	<b>76,039,900</b>	<b>57,156,897</b>
<b>NET CLAIMS INCURRED</b>	<b>578,938,271</b>	<b>576,117,033</b>
- gross claims settled	613,765,178	593,872,215
- reinsurers' share	-22,515,985	-22,450,576
- changes in claims provisions	-19,720,565	-1,961,843
- equalisation scheme expenses for supplementary health insurance	7,409,643	6,657,237
<b>CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS</b>	<b>-1,446,818</b>	<b>-2,909,572</b>
<b>CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS</b>	<b>52,882,779</b>	<b>-11,402,162</b>
<b>EXPENSES FOR BONUSES AND DISCOUNTS</b>	<b>8,647,771</b>	<b>6,458,995</b>
<b>CHANGE IN FINANCIAL CONTRACT LIABILITIES</b>		<b>0</b>
<b>OPERATING EXPENSES</b>	<b>198,477,965</b>	<b>203,308,320</b>
- acquisition costs	127,960,690	130,633,390
- other operating costs	70,517,275	72,674,930
<b>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES</b>	<b>100,957,950</b>	<b>202,010,429</b>
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES	2,104,248	19,175,570
- loss on investments accounted for using the equity method	2,104,247	16,977,661
- interest expense	0	0
- fair value losses	0	1,775,494
- realised loss on disposals	0	94,434
- loss on impairment of financial assets	0	327,453
- other expenses from financial assets and liabilities	0	528
EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES	98,177,889	107,035,830
- interest expense	3,576,326	5,849,807
- fair value losses	18,768,643	10,847,926
- realised loss on disposals	24,081,742	17,273,701
- loss on impairment of financial assets	43,652,275	62,861,127
- other expenses from financial assets and liabilities	8,098,903	10,203,269
NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS	675,813	75,799,029



	2012	2011
<b>OTHER INSURANCE EXPENSES</b>	<b>42,829,908</b>	<b>55,953,030</b>
<b>OTHER EXPENSES</b>	<b>83,803,046</b>	<b>61,323,544</b>
<b>PROFIT BEFORE TAX</b>	<b>89,671,404</b>	<b>57,999,615</b>
Income tax expense	-16,490,349	-10,502,374
<b>NET PROFIT FOR THE ACCOUNTING PERIOD</b>	<b>73,181,055</b>	<b>47,497,241</b>
Net profit/loss attributable to the controlling company	72,512,977	47,060,748
Net profit/loss attributable to non-controlling interest holders	668,078	436,490

## C. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	in EUR	
	2012	2011
I. NET PROFIT/LOSS FOR THE YEAR AFTER TAX	73,181,054	47,497,241
II. OTHER COMPREHENSIVE INCOME AFTER TAX	48,810,658	-43,870,371
1. Net gains/losses from the remeasurement of available-for-sale financial assets	85,240,369	-69,942,764
Gains/losses recognised in fair value reserve	56,130,261	-130,511,883
Transfer from fair value reserve to profit/loss	29,110,108	60,569,123
2. Net gains/losses from the remeasurement of non-current assets held for sale	0	-198,746
Gains/losses recognised in fair value reserve	0	0
Transfer from fair value reserve to profit/loss	0	-198,746
3. 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	246,560	-2,164,189
4. Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	-23,745,609	9,274,697
5. Currency translation adjustment	-638,520	-566,861
6. Tax on other comprehensive income	-12,292,142	19,727,492
<b>III. COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX</b>	<b>121,991,712</b>	<b>3,626,870</b>
Controlling interests	120,972,434	3,718,858
Non-controlling interests	1,019,278	-91,988

## D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR

2012	Reserves from profit										Net profit brought forward	Net profit for the period	Treasury shares	Currency translation differences	Total equity attributable to controlling company	Non-controlling interest	Total
	Share capital	Share premium	Contingency reserves	Treasury share reserves	Legal and statutory reserves	Credit risk reserves	Catastrophe reserves	Other reserves from profit	Fair value reserve								
<b>OPENING BALANCE FOR THE PERIOD</b>	<b>73,701,388</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>0</b>	<b>176,000,000</b>	<b>2,786,975</b>	<b>61,135,220</b>	<b>46,175,732</b>	<b>-364,680</b>	<b>-2,565,265</b>	<b>465,264,951</b>	<b>24,204,905</b>	<b>489,469,857</b>	
Comprehensive income for the year after tax									49,073,336		72,512,977		-613,879	120,972,434	1,019,278	121,991,712	
Dividend payment										-15,904,095				-15,904,095	6,511	-15,897,584	
Increase of share capital														0		0	
Allocation to other reserves from profit						86,405		25,000,000		-86,405	-25,000,000			0		0	
Allocation to other equity items														0		0	
Allocation and use of reserves for credit risk and catastrophe claims								-2,680,146			1,296,682			-1,383,464	75,613	-1,307,851	
Allocation to net profit brought forward										46,175,732	-46,175,732			0		0	
Other		3,506,637							-41,257	-4,551,357				-1,085,977	-18,606,370	-19,692,347	
<b>CLOSING BALANCE FOR THE PERIOD</b>	<b>73,701,388</b>	<b>56,710,713</b>	<b>529,798</b>	<b>364,680</b>	<b>19,517,390</b>	<b>32,185,892</b>	<b>0</b>	<b>201,000,000</b>	<b>51,819,054</b>	<b>86,769,095</b>	<b>48,809,659</b>	<b>-364,680</b>	<b>-3,179,169</b>	<b>567,863,820</b>	<b>6,699,937</b>	<b>574,563,757</b>	

2011	Reserves from profit										Net profit brought forward	Net profit for the period	Treasury shares	Currency translation differences	Total equity attributable to controlling company	Non-controlling interest	Total
	Share capital	Share premium	Contingency reserves	Treasury share reserves	Legal and statutory reserves	Credit risk reserves	Catastrophe reserves	Other reserves from profit	Fair value reserve								
<b>OPENING BALANCE FOR THE PERIOD</b>	<b>23,701,392</b>	<b>53,655,514</b>	<b>529,798</b>	<b>364,680</b>	<b>19,451,956</b>	<b>33,436,225</b>	<b>0</b>	<b>16,000,000</b>	<b>45,520,845</b>	<b>269,153,671</b>	<b>11,313,295</b>	<b>-364,680</b>	<b>-1,997,661</b>	<b>470,765,035</b>	<b>28,212,772</b>	<b>498,977,808</b>	
Comprehensive income for the year after tax									-42,774,286		47,060,748		-567,604	3,718,858	-91,988	3,626,870	
Dividend payment										-9,088,053				-9,088,053	-22,019	-9,110,072	
Increase of share capital	50,000,000										-50,000,000			0		0	
Allocation to other reserves from profit								160,000,000		-160,000,000				0		0	
Allocation to other equity items						-20,971			40,416	-19,445				0		0	
Allocation and use of reserves for credit risk and catastrophe claims								1,429,813			-885,016			544,797	-51,128	493,669	
Allocation to net profit brought forward										11,313,295	-11,313,295			0		0	
Other		-451,438								-224,248				-675,686	-3,842,732	-4,518,418	
<b>CLOSING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>53,204,076</b>	<b>529,798</b>	<b>364,680</b>	<b>19,430,985</b>	<b>34,866,038</b>	<b>0</b>	<b>176,000,000</b>	<b>2,786,975</b>	<b>61,135,220</b>	<b>46,175,732</b>	<b>-364,680</b>	<b>-2,565,265</b>	<b>465,264,951</b>	<b>24,204,905</b>	<b>489,469,857</b>	

## E. CONSOLIDATED CASH FLOW STATEMENT

in EUR

	2012	2011
<b>A. OPERATING CASH FLOW</b>		
<b>a. Income statement items</b>	<b>45,877,945</b>	<b>15,483,061</b>
1. Net written premium for the period	870,023,930	921,231,920
2. Investment income (excluding financial income), arising from:	23,934,772	52,023,035
- insurance technical provisions	20,759,650	48,394,304
- other sources	3,175,122	3,628,731
3. Other operating income (excluding revaluation and provisions) and financial income	107,126,416	92,424,896
4. Net claims paid	-600,003,778	-575,979,434
5. Expenses for bonuses and discounts	-8,083,904	-10,789,820
6. Net operating expenses less depreciation and changes in deferred acquisition costs	-198,650,682	-180,378,877
7. Investments expenses (excluding depreciation and financial expenses), arising from:	-48,570,963	-128,112,894
- insurance technical provisions	-10,064,141	-113,123,136
- other sources	-38,506,822	-14,989,758
8. Other operating expenses excluding depreciation (except for revaluation and without changes in provisions)	-85,565,697	-130,489,363
9. Corporate income tax and other taxes excluded from operating expenses	-14,332,149	-24,446,402
<b>b. Changes in net current assets</b>	<b>-9,804,340</b>	<b>-108,901,945</b>
1. Changes in receivables from insurance operations	-6,846,251	-8,701,560
2. Changes in receivables from reinsurance operations	181,594	13,231,300
3. Changes in other receivables from (re)insurance operations	-5,890,243	11,946,762
4. Changes in other receivables and assets	3,101,504	-5,150,334
5. Changes in deferred tax assets	2,337,454	-8,192,753
6. Changes in inventories	1,879,031	543,313
7. Changes in liabilities from direct insurance operations	11,410,478	-763,375
8. Changes in liabilities from reinsurance	-1,505,423	1,501,610
9. Changes in other liabilities from operations	-16,822,070	-93,986,597
10. Changes in other liabilities (less unearned premiums)	-4,600,737	2,732,819
11. Changes in deferred tax liabilities	6,950,323	-22,063,130
<b>c. Operating cash flow</b>	<b>36,073,605</b>	<b>-93,418,884</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>a. Cash inflows from investing activities</b>	<b>2,712,442,552</b>	<b>3,154,641,695</b>
1. Cash inflows from interest from investments	79,822,024	81,672,158
- investments financed from insurance technical provisions	74,795,607	77,990,411
- other investments	5,026,417	3,681,747
2. Cash inflows from dividends from investments	9,601,940	4,820,953
- investments financed from insurance technical provisions	1,612,124	1,563,343
- other investments	7,989,816	3,257,610
3. Cash inflows from disposal of intangible assets	232,862	776,499
- insurance technical provisions	317,636	155,769
- other sources	-84,774	620,730
4. Cash inflows from disposal of tangible fixed assets	6,104,632	2,239,195
- insurance technical provisions	2,479,264	294,039
- other sources	3,625,368	1,945,156
5. Cash inflows from disposal of long-term financial investments, financed from	1,246,931,676	854,302,483
- insurance technical provisions	1,103,905,564	741,489,085
- other sources	143,026,112	112,813,398
6. Cash inflows from the disposal of short-term of financial investments, financed from	1,369,749,418	2,210,830,407
- insurance technical provisions	1,195,426,053	2,055,075,841
- other sources	174,323,365	155,754,566
<b>b. Cash outflows for investing activities</b>	<b>-2,727,253,065</b>	<b>-3,060,222,681</b>
1. Cash outflows for the purchase of intangible assets	-8,515,221	-5,123,713

	2012	2011
2. Cash outflows for the purchase of tangible fixed assets	-7,452,052	-9,586,447
- insurance technical provisions	-851,175	-4,532,464
- other sources	-6,600,877	-5,053,983
3. Cash outflows for the purchase of long-term financial investments, financed from	-1,385,444,793	-926,368,493
- insurance technical provisions	-1,251,414,012	-788,020,378
- other sources	-134,030,781	-138,348,115
4. Cash outflows for the purchase of short-term of financial investments, financed from	-1,325,840,999	-2,119,144,028
- insurance technical provisions	-1,146,279,066	-1,968,482,135
- other sources	-179,561,933	-150,661,893
<b>c. Total cash flow from investing activities</b>	<b>-14,810,513</b>	<b>94,419,014</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>a. Cash flows from financing activities</b>	<b>33,413,521</b>	<b>21,248,068</b>
1. Cash flows from issuance of capital	0	0
2. Cash flows from long term loans	5,735,970	4,857,115
3. Cash flows from short term loans	27,677,551	16,390,953
<b>b. Cash flows from financing activities</b>	<b>-59,716,158</b>	<b>-33,673,683</b>
1. Cash flows for interest that relate to financing	-2,822,301	-3,829,877
2. Cash flows for return of capital	0	0
3. Cash flows of financial liabilities	-3,390,936	-13,933,500
4. Cash flows of financial liabilities	-37,604,980	-7,030,545
5. Cash flows of dividends	-15,897,941	-8,879,761
<b>c. Total cash flow from financing activities</b>	<b>-26,302,637</b>	<b>-12,425,615</b>
<b>D. Opening balance of cash and cash equivalents</b>	<b>22,771,666</b>	<b>34,108,090</b>
<b>E1. Net cash flow for the period</b>	<b>-5,039,545</b>	<b>-11,425,485</b>
<b>E2. Foreign exchange differences</b>	<b>-480,702</b>	<b>89,061</b>
<b>F. Closing balance of cash and cash equivalents</b>	<b>17,251,419</b>	<b>22,771,666</b>

## 2.2 UNCONSOLIDATED FINANCIAL STATEMENT OF THE ZAVAROVALNICA TRIGLAV D.D.

### A. UNCOSOLIDATED BALANCED SHEET

in EUR

ASSETS	31. 12. 2012	31. 12. 2011
Intangible assets	53,298,272	49,863,069
Property, plant and equipment	66,300,323	71,932,485
Deferred tax receivables	14,638,478	30,423,884
Investment property	19,344,982	19,984,888
Investments in subsidiaries	185,617,295	193,131,295
Investments in associates	12,766,962	10,855,503
Financial assets	2,072,924,001	1,972,634,968
<i>Financial investments:</i>	1,666,421,213	1,617,636,390
- <i>loans and deposits</i>	222,777,533	363,304,828
- <i>held to maturity</i>	199,277,500	211,599,458
- <i>available for sale</i>	1,144,343,784	976,228,336
- <i>recognised at fair value through profit and loss</i>	100,022,396	66,503,768
<i>Unit-linked insurance assets</i>	406,502,788	354,998,578
Reinsurers' share of technical provisions	75,391,557	54,547,910
Receivables	98,274,364	105,902,050
- receivables from direct insurance operations	70,291,060	80,970,481
- receivables from reinsurance and co-insurance operations	8,243,477	8,187,183
- current tax receivables	7,403,575	0
- other receivables	12,336,252	16,744,387
Other assets	2,225,894	3,060,960
Cash and cash equivalents	2,278,084	4,216,855
<b>TOTAL ASSETS</b>	<b>2,603,060,213</b>	<b>2,516,553,868</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	507,657,101	437,692,451
- share capital	73,701,392	73,701,392
- share premium	53,412,884	53,412,884
- reserves from profit	236,286,919	211,286,919
- fair value reserve	46,049,906	5,969,185
- net profit brought forward	72,813,826	49,539,512
- net profit for the year	25,392,174	43,782,559
Subordinated liabilities	38,721,260	40,932,091
Insurance technical provisions	1,585,250,868	1,585,925,020
- unearned premiums	200,453,389	219,683,849
- mathematical provisions	826,665,165	806,053,274
- claims provisions	538,904,153	537,912,790
- other insurance technical provisions	19,228,161	22,275,106
Insurance technical provisions for unit-linked insurance contracts	404,899,884	354,900,127
Employee benefits	7,994,891	8,300,010
Other provisions	934,334	835,806
Other financial liabilities	962,561	29,231,960
Operating liabilities	26,135,315	28,761,344
- liabilities from direct insurance operations	12,519,990	13,489,315
- liabilities from reinsurance and co-insurance operations	13,615,325	14,753,844
- current tax liabilities	0	518,186
Other liabilities	30,503,998	29,975,059
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>2,603,060,213</b>	<b>2,516,553,868</b>

## B. UNCONSOLIDATED INCOME STATEMENT

in EUR

	2012	2011
<b>NET PREMIUM INCOME</b>	<b>596,818,667</b>	<b>628,109,132</b>
- gross written premium	647,591,877	696,696,368
- ceded written premium	-69,169,119	-74,151,361
- change in unearned premium provision	18,395,908	5,564,125
<b>INCOME FROM FINANCIAL ASSETS</b>	<b>143,980,876</b>	<b>116,412,108</b>
<i>INCOME FROM FINANCIAL ASSETS IN SUBSIDIARIES AND ASSOCIATES</i>	2,540,584	1,868,713
- interest income	1,773,249	1,503,605
- dividends	750,904	364,626
- fair value gains	0	0
- realised gains on disposals	0	0
- other financial income	16,431	482
<i>INCOME FROM OTHER FINANCIAL ASSETS</i>	113,159,477	89,694,474
- interest income	66,976,057	70,521,806
- dividends	1,749,633	2,884,919
- fair value gains	16,903,685	5,879,135
- realised gains on disposals	26,203,738	9,676,006
- other financial income	1,326,365	732,607
<i>NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	28,280,816	24,848,921
<b>OTHER INCOME FROM INSURANCE OPERATIONS</b>	<b>29,457,651</b>	<b>31,182,642</b>
- fees and commission income	24,208,197	27,202,415
- other income from insurance operations	5,249,454	3,980,228
<b>OTHER INCOME</b>	<b>6,535,404</b>	<b>5,996,603</b>
<b>NET CLAIMS INCURRED</b>	<b>376,579,593</b>	<b>382,950,931</b>
- gross claims settled	416,700,797	415,203,813
- reinsurers' share	-20,054,072	-26,874,461
- changes in claims provisions	-20,067,131	-5,378,421
<b>CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS</b>	<b>-6,736,775</b>	<b>-8,460,835</b>
<b>CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS</b>	<b>49,999,757</b>	<b>-13,398,829</b>
<b>EXPENSES FOR BONUSES AND DISCOUNTS</b>	<b>7,605,842</b>	<b>5,315,757</b>
<b>OPERATING EXPENSES</b>	<b>136,837,206</b>	<b>139,957,133</b>
- acquisition costs	96,740,329	97,581,422
- other operating costs	40,096,877	42,375,711
<b>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES</b>	<b>103,907,826</b>	<b>180,227,976</b>
<i>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN SUBSIDIARIES AND ASSOCIATES</i>	14,046,803	10,008,405
- interest expense	0	178,870
- fair value losses	0	1,775,494
- realised loss on disposals	0	0
- loss on impairment of financial assets	14,017,150	8,053,513
- other expenses from financial assets and liabilities	29,653	528
<i>EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES</i>	89,486,907	95,629,839
- interest expense	2,625,596	4,280,005
- fair value losses	17,640,835	9,569,908
- realised loss on disposals	22,249,251	16,719,731
- loss on impairment of financial assets	42,448,404	59,005,759
- other expenses from financial assets and liabilities	4,522,821	6,054,436
<i>NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS</i>	374,116	74,589,732
<b>OTHER INSURANCE EXPENSES</b>	<b>31,985,406</b>	<b>35,470,665</b>
<b>OTHER EXPENSES</b>	<b>10,976,575</b>	<b>5,241,762</b>

	2012	2011
<b>PROFIT BEFORE TAX</b>	<b>65,637,168</b>	<b>54,395,925</b>
Income tax expense	-15,244,994	-10,613,366
<b>NET PROFIT FOR THE ACCOUNTING PERIOD</b>	<b>50,392,174</b>	<b>43,782,559</b>

### C. UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	in EUR	
	2012	2011
I. NET PROFIT/LOSS FOR THE YEAR AFTER TAX	50,392,174	43,782,559
II. OTHER COMPREHENSIVE INCOME AFTER TAX	40,080,721	-78,847,949
1. Net gains/losses from the remeasurement of available-for-sale financial assets	71,255,682	-106,240,651
Gains/losses recognised in fair value reserve	44,044,534	-166,521,056
Transfer from fair value reserve to profit/loss	27,211,148	60,280,405
2. Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	-23,745,609	9,274,697
3. Tax on other comprehensive income	-7,429,351	18,118,005
<b>III. COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX</b>	<b>90,472,895</b>	<b>-35,065,390</b>

## D. UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR

2012			Reserves from profit			Fair value reserve	Net profit brought forward	Net profit for the year	TOTAL
	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 year after tax	0	0	0	0	0	40,080,721	0	50,392,174	90,472,895
3. Dividend payment	0	0	0	0	0	0	-15,914,604	0	-15,914,604
4. Transfer of net profit to reserves from profit	0	0	0	0	25,000,000	0	0	-25,000,000	0
5. Allocation and use of reserves for credit risk and catastrophe claims	0	0	0	0	0	0	-4,593,641	0	-4,593,641
6. Allocation of net profit from previous year	0	0	0	0	0	0	43,782,559	-43,782,559	0
<b>7. CLOSING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>53,412,884</b>	<b>4,662,643</b>	<b>30,624,276</b>	<b>201,000,000</b>	<b>46,049,906</b>	<b>72,813,826</b>	<b>25,392,174</b>	<b>507,657,101</b>
<b>Distributable profit</b>							72,813,826	25,392,174	<b>98,206,000</b>

in EUR

2011			Reserves from profit			Fair value reserve	Net profit brought forward	Net profit for the year	TOTAL
	Share capital	Share premium	Legal and statutory reserves	Credit risk reserves	Other reserves from profit				
<b>1. OPENING BALANCE FOR THE PERIOD</b>	<b>23,701,392</b>	<b>53,412,884</b>	<b>4,662,644</b>	<b>30,624,276</b>	<b>16,000,000</b>	<b>84,817,134</b>	<b>252,529,148</b>	<b>16,104,423</b>	<b>481,851,900</b>
2. Comprehensive income for the year after tax	0	0	0	0	0	-78,847,949	0	43,782,559	-35,065,390
3. Dividend payment	0	0	0	0	0	0	-9,094,059	0	-9,094,059
4. Increase of share capital	50,000,000	0	0	0	0	0	-50,000,000	0	0
5. Allocation from net profit brought forward to other reserves from profit	0	0	0	0	160,000,000	0	-160,000,000	0	0
6. Allocation of net profit from previous year	0	0	0	0	0	0	16,104,423	-16,104,423	0
<b>7. CLOSING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>53,412,884</b>	<b>4,662,644</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>437,692,452</b>
<b>Distributable profit</b>							49,539,512	43,782,559	<b>93,322,071</b>



## E. UNCONSOLIDATED CASH FLOW STATEMENT

in EUR

	2012	2011
<b>A. OPERATING CASH FLOW</b>		
<b>a. Income statement items</b>	<b>38,334,466</b>	<b>10,252,113</b>
1. Net written premium for the period	578,422,759	622,545,007
2. Investment income (excluding financial income), arising from:	8,901,582	43,196,582
- insurance technical provisions	6,574,433	40,339,150
- other sources	2,327,148	2,857,433
3. Other operating income (excluding revaluation and provisions) and financial income	22,583,384	22,776,145
4. Net claims paid	-396,646,725	-388,329,352
5. Expenses for bonuses and discounts	-7,044,576	-6,613,596
6. Net operating expenses less depreciation and changes in deferred acquisition costs	-116,284,945	-120,499,586
7. Investments expenses (excluding depreciation and financial expenses), arising from:	-8,879,542	-112,832,081
- insurance technical provisions	-4,599,866	-104,690,810
- other sources	-4,279,676	-8,141,271
8. Other operating expenses excluding depreciation (except for revaluation and without changes in provisions)	-31,234,890	-28,080,766
9. Corporate income tax and other taxes excluded from operating expenses	-11,482,581	-21,910,241
<b>b. Changes in net current assets</b>	<b>-1,652,238</b>	<b>-78,644,323</b>
1. Changes in receivables from insurance operations	818,352	-10,290,121
2. Changes in receivables from reinsurance operations	-56,294	12,655,026
3. Changes in other receivables from (re)insurance operations	3,531,777	12,117,018
4. Changes in other receivables and assets	919,470	12,487,186
5. Changes in deferred tax assets	0	-6,901,150
6. Changes in inventories	41,684	88,435
7. Changes in liabilities from direct insurance operations	-969,325	-2,067,177
8. Changes in liabilities from reinsurance	-1,138,518	3,017,198
9. Changes in other liabilities from operations	-2,216,018	-77,428,726
10. Changes in other liabilities (less unearned premiums)	-10,012,713	-1,117,728
11. Changes in deferred tax liabilities	7,429,348	-21,204,283
<b>c. Operating cash flow</b>	<b>36,682,228</b>	<b>-68,392,209</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>a. Cash inflows from investing activities</b>	<b>2,297,616,438</b>	<b>2,775,893,368</b>
1. Cash inflows from interest from investments	63,745,893	72,025,412
- investments financed from insurance technical provisions	60,413,640	69,479,437
- other investments	3,332,253	2,545,975
2. Cash inflows from dividends from investments	1,674,883	3,254,774
- investments financed from insurance technical provisions	1,518,612	1,485,308
- other investments	156,271	1,769,466
3. Cash inflows from disposal of intangible assets	-90,512	615,579
- insurance technical provisions	0	0
- other sources	-90,512	615,579
4. Cash inflows from disposal of tangible fixed assets	3,302,207	980,130
- insurance technical provisions	0	294,039
- other sources	3,302,207	686,091
5. Cash inflows from disposal of long-term financial investments, financed from	1,142,679,479	711,317,220
- insurance technical provisions	1,001,373,463	692,344,248
- other sources	141,306,015	18,972,972
6. Cash inflows from the disposal of short-term of financial investments, financed from	1,086,304,488	1,896,763,781
- insurance technical provisions	1,012,037,565	1,838,832,885
- other sources	74,266,923	57,930,896
7. Cash inflows from disposal of investments in subsidiaries and associates, financed from	0	90,936,472

	2012	2011
- insurance technical provisions	0	8,875,677
- other sources	0	82,060,794
<b>b. Cash outflows for investing activities</b>	<b>-2,318,408,592</b>	<b>-2,700,854,060</b>
1. Cash outflows for the purchase of intangible assets	-7,498,501	-4,755,743
2. Cash outflows for the purchase of tangible fixed assets	-2,752,063	-4,883,820
- insurance technical provisions	-409,143	-2,208,770
- other sources	-2,342,921	-2,675,050
Cash outflows for the purchase of long-term financial investments, financed from	-1,228,749,022	-731,772,329
- insurance technical provisions	-1,108,149,318	-712,506,422
- other sources	-120,599,704	-19,265,906
Cash outflows for the purchase of short-term of financial investments, financed from	-1,049,950,273	-1,818,845,505
- insurance technical provisions	-968,295,002	-1,756,313,596
- other sources	-81,655,271	-62,531,908
Cash outflows for the purchase of investments in subsidiaries and associates, financed from	-29,458,733	-140,596,663
- insurance technical provisions	-17,641,493	-2,145,679
- other sources	-11,817,240	-138,450,985
<b>c. Total cash flow from investing activities</b>	<b>-20,792,154</b>	<b>75,039,309</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>a. Cash flows from financing activities</b>	<b>0</b>	<b>0</b>
1. Cash flows from issuance of capital	0	0
2. Cash flows from long term loans	0	0
3. Cash flows from short term loans	0	0
<b>b. Cash flows from financing activities</b>	<b>-17,828,844</b>	<b>-11,672,239</b>
1. Cash flows for interest that relate to financing	-2,236,755	-2,792,478
2. Cash flows for return of capital	0	0
3. Cash flows of financial liabilities	0	0
4. Cash flows of financial liabilities	0	0
5. Cash flows of dividends	-15,592,089	-8,879,761
<b>c. Total cash flow from financing activities</b>	<b>-17,828,844</b>	<b>-11,672,239</b>
<b>D. Opening balance of cash and cash equivalents</b>	<b>4,216,855</b>	<b>9,241,996</b>
<b>E. Net cash flow for the period</b>	<b>-1,938,770</b>	<b>-5,025,140</b>
<b>F. Closing balance of cash and cash equivalents</b>	<b>2,278,085</b>	<b>4,216,855</b>